

DEPARTMENT OF OVERSEAS TRADE.

REPORT
ON THE
ECONOMIC AND FINANCIAL
SITUATION
OF
EGYPT.

Dated April, 1924.

BY

MR. E. HOMAN MULLOCK,

Commercial Secretary, The Residency, Cairo.



LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in South Africa (Johannesburg, Cape Town); two in Australia (Melbourne, Sydney); two in India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), British East Africa (Nairobi) and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) *The Commercial Diplomatic Service attached to the British Diplomatic Missions.*

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area, and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

The Department is represented in Egypt by Mr. E. Homan Mulock, Commercial Secretary, The Residency, Cairo.

(b) *The British Consular Service.*

This service has been re-organised. Particular attention has been given to the commercial side of consular work.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

A handbook giving fuller details of the overseas organization of the Department can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W.1.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

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TABLE OF LOCAL CURRENCY, WEIGHTS AND MEASURES MOST IN USE IN EGYPT, AND THEIR BRITISH EQUIVALENTS.

1 kilogramme	..	= 2.226 rotls or .801 oke	= 2.205 lbs.
1 metric ton	..	= 22.258 cantars	.. = 19.684 cwts.
* 1 cantar	..	= 100 rotls	.. = 99.0493 lbs.
1 rotl	..	= 144 dirhems	.. = 0.9905 lbs.
1 oke	..	= 400 dirhems	.. = 2.75137 lbs.
1 heml	..	= 200 okes	.. = 550.274 lbs.
† 1 ardeb	..	= 96 kadahs	.. = 43.455 gallons or 5.444 bushels.
1 keila	..	= 8 kadahs	.. = 3.63 gallons.
1 rob	..	= 4 kadahs	.. = 1.815 gallons.
1 kadah	..	= 1/96 ardeb	.. = 3.630 pints.
1 feddan	..	= 24 kirats	.. = 5024.16 square yards or 1.038 acres.
1 £E. (Egyptian pound)		= 100 piastres tariff or 1,000 milliemes	= £stg. 1.0. 6.154d. (at par, <i>i.e.</i> , 97.5 piastres to the £stg.)
1 tallari (\$)	..	= 20 piastres tariff	.. = 4s. 1½d.

* 1 cantar of unginned cotton, 315 lbs.; and of ginned cotton, 100 lbs.

† Approximate weight of an "ardab" of various seeds:—

Wheat, 150 kilos. Barley, 120 kilos. Lentils, 157 kilos (whole).

Beans, 155 kilos. Maize, 140 kilos. Lentils, 132 kilos (split).

				Weights (approx.).
1 bale of steam-pressed cotton	..	..	..	7.75 cantars.
1 bale of cotton pressed hydraulically	..	..	..	8.50 "
1 ardeb of cotton seed	..	..	..	270 rotls or 267 lbs.
8½ ardebs of cotton seed	..	..	..	1 ton.
3 bales of steam-pressed cotton	..	..	..	1 ton 85 lbs.

N.B.—In Egypt liquids are often bought and sold by weight, and there are no special Arabic liquid measures.

REPORT

ON THE

ECONOMIC AND FINANCIAL SITUATION OF EGYPT.

I.—THE ECONOMIC AND FINANCIAL SITUATION.

Egypt, as a result of the successful working of the financial year 1923–24, of the favourable balance and volume of her foreign trade during the calendar year 1923, and of having realized nearly £E. 50 millions by the sale of her cotton during the same period, is to be envied both for the flourishing state of her public finances, and for the satisfactory economic situation arising out of the general prosperity of the country.

Trade Balance.—For the third time since the war, the total foreign trade of Egypt has passed the hundred million mark, and for the second calendar year in succession the balance is in Egypt's favour, having reached in 1923 a figure in excess of that of the favourable trade balance in 1922 and the adverse trade balance in 1921. The extent to which this recovery, so successfully begun in 1922, has been effected, is shown in Appendix I.

Budget Surpluses.—For the third successive financial year the actual surplus has enormously exceeded budgetary estimates. Thus an expected deficit of nearly two millions in 1921–22 was converted into a surplus of over four millions; the estimated surplus of two millions for 1922–23 grew to £E. 7,516,573; while the budgetary surplus of £E. 550,000 for 1923–24 was expected to reach £E. 4,975,000 by March 31st, 1924. When it is realized that the respective budgetary receipts for the three periods specified above totalled £E. 36,701,000, £E. 33,630,000 and £E. 34,905,000, the significance of the proportion thereto borne by the corresponding surpluses is worth noting.

Of the surplus resulting from the financial year 1922–23 all but £E. 1,290,000 (of which £E. 1,250,000 was kept as a Special Reserve for payment of regraded salaries; the remaining £E. 40,000 being utilized to bring the carry over and Fonds de Roulement held by the Caisse de la Dette up to a total of £E. 1,610,000) was passed to the General Reserve Fund, which thereby rose from £E. 5,569,659—the figure at which it stood on April 1st, 1922, to £E. 11,796,232 on the same date in 1923. During the course of 1923–24 the Special Reserve above referred to was found to be superfluous and the sum of £E. 1,250,000 was therefore returned to the General Reserve Fund, which, if it is further

increased by the whole of the budgetary surplus finally realized on March 31st, 1924, should prove to be in the neighbourhood of £E. 18 millions on April 1st, 1924. Accurate figures are not available at the time of writing, as the final accounts of any given financial year are not completed till some twelve months later ; while by a Royal Decree of March 31st, 1924, the budget for 1923-24 is to be applied provisionally to 1924-25, pending parliamentary approval of the new budget.

Machinery of Government Finance.—As considerable interest is now being taken in the machinery of Government finance in this country as the result of the opening of the first Egyptian Parliament on March 15th, 1924, an explanation of the functions and composition of the General Reserve Fund ; of the actual state and service of the Egyptian Public Debt ; and of the mechanism of currency and exchange in Egypt, should not only prove of general interest, but also give a clearer indication than has been possible in previous Annual Reports of the economic and financial situation of the country.

General Reserve Fund.—The application in Egypt of the Capitulatory regime to Europeans makes it impossible for taxation to be levied on the subjects of the Powers concerned without their unanimous consent, with the result that Egypt's choice of, and power to create, fresh sources of revenue are restricted. Her chief existing sources of revenue are the Customs, *i.e.*, import duties on merchandise and tobacco dues ; the Railways ; and the cotton crop, whose value affects almost every source of revenue either directly or indirectly, and it is to make good abnormal budgetary deficits which cannot be met by administrative economies or fresh taxation, that the General Reserve Fund has been created. The conspicuous example during the last 10 years of its usefulness for this purpose was afforded by the way in which an exceptional deficit in the 1920-21 budget arising out of the purchase on a huge scale, and at high prices, of coal, wheat and wheat flour, was met. In this instance so large an inroad was made into the Reserve Fund that it shrank from over £E. 17 millions on March 31st, 1920, to only a million and a half a year later.

Although only three financial years have elapsed since that crisis, there is every prospect of the Reserve Fund being restored as from April 1st, 1924, to a figure not far short of a million in excess of that at which it stood on March 31st, 1920.

It must, however, be borne in mind that extensive and urgent use of the proper function of the Reserve Fund is only made possible by the investment of the bulk of it in securities that are easily realizable at any moment, and whose conversion into cash does not disturb the national credit. Thus, although a considerable proportion of such investments are in the form of Egyptian Government securities, it is British and Indian securities which, having from 1915 to 1920 been considerably in excess of the former, have so successfully borne the brunt of urgent and

extensive requirements of ready money, that their sale has obviated almost entirely the need to realize any Egyptian securities, and thus precluded the possibility of a depression of the national credit which would have resulted from the realization on a large scale by the Egyptian Government of its own securities.

The latter have thus been able to occupy, undisturbed, their particular sphere of usefulness, viz., firstly, that of providing cover for the debit balance at the National Bank of Egypt temporarily created every year, in which the Reserve Fund is at all fully invested, by the irregularity of revenue production from taxation under certain heads ; and secondly, that of contributing to revenue in the form of interest on funds.

The Government Debt.—The Egyptian Government securities in which a portion of the Reserve Fund is invested take the form of bonds of the Unified Debt 4 per cent., the Privileged Debt 3½ per cent., and the Guaranteed Debt 3 per cent., which together constitute the Consolidated Debt. Its position on December 31st, 1923, was as follows :—

—	Balance outstanding, 31/12/23.	Bonds held by Government and Debt Commission.	Bonds in circulation.
Guaranteed Debt ..	£ 5,368,900	£ 362,600	£ 5,006,300
Privileged Debt ..	31,127,780	2,428,820	28,698,960
Unified Debt ..	55,971,960	5,820,600	50,151,360
Totals ..	92,468,640	8,612,020	83,856,620

The Guaranteed Debt has been reduced by statutory annual amortization from £9,424,000 in 1885.

As regards the bonds in circulation, it is a matter of considerable labour and difficulty to ascertain the proportion of the Debt respectively held in Egypt and elsewhere, owing to the fact that the quantity of coupons presented for payment in London, Paris, Cairo and Alexandria forms no guide to the whereabouts of the holders, but, according to an authoritative statement, it was estimated that quite a substantial proportion of the public debt of Egypt was held in Egypt towards the end of 1923, and that the public fortune of the country stood at about £E. 95 millions.

Certain it is that there is an increasing and welcome tendency on the part of wealthy Egyptians to invest in Privileged and Unified Debt instead of hoarding their surplus funds anywhere but in banks. It is of interest in this connection to note that the market value of both these Government securities rose steadily during 1923. On December 31st, 1922, Unified was quoted at £69 1s. 3d. and Privileged at £60 8s. 9d., whereas on the same date in 1923 they had risen to £74 3s. 9d. and £64 10s., respectively.

Service of the Debt.—The expenditure budgeted for yearly by the Egyptian Government for the service of the Consolidated Debt, including payment of interest thereon and statutory amortization of the Guaranteed Debt totals £E. 3,552,266 per annum, to which must be added nearly £E. 44,500 for the expenses of the Debt Commission. The first mentioned total is made up as follows :—

£E. 307,125 for the Guaranteed Debt.
 £E. 1,062,235 for the Privileged Debt.
 £E. 2,182,906 for the Unified Debt.

In order to meet this yearly expenditure the revenues of the Land Tax from all but one of the 14 Provinces of Egypt, together with the temporary surtax of 5 per cent. to 10 per cent. thereon levied since 1910 for educational purposes, are paid direct to the Debt Commissioners.

By the Decree of November 28th, 1904, it was enacted that, without the consent of the Powers, no modifications in the Land Tax liable to reduce it below a total of £E. 4 millions can be made. The revenue from the provinces concerned, however, is more in the neighbourhood of 5 millions than 4 millions £E.

By this decree the Caisse de la Dette was granted a permanent Reserve Fund fixed at £E. 1,800,000, and a further sum of £E. 500,000, as a Fonds de Roulement or fund for working expenses which is always kept in cash. The latter sum has been virtually increased as the result of three subsequent agreements with the Ministry of Finance, by £E. 1,110,000, but this addition is described as a "carry over," to distinguish it from the original Fonds de Roulement, fixed at £E. 500,000.

The Reserve Fund of the Caisse de la Dette, which is quite separate from, and independent of the General Reserve Fund of the Egyptian Government, is kept intact, thanks to the mechanism provided by the Fonds de Roulement, and "carry over," which is explained below. This Reserve Fund is entirely invested in the Government Debt securities, and of the totals given in column 2 of the table showing its position on December 31st, 1923, the bonds held by the Debt Commission consisted of £Stg. 1,561,220 of Unified, and £Stg. 284,940 of Privileged (the latter including £Stg. 49,800 held against the liquidation of the floating debt). Their holdings in the two debts, amounting in all to £Stg. 1,846,160, represent the original total of £E. 1,800,000.

As the service of the Debt has to be met at regular intervals, the earliest of which coincides with a period when the revenue from the Land Tax, at best most irregular in time incidence, has not yet begun to come in, the Fonds de Roulement and the "carry over" are drawn upon, subject to their complete reconstitution by the end of the financial year out of the Land Tax revenues as they become available.

This reconstitution takes place by the end of November, and from then to March 31st the Debt Commission is at liberty to place sums from the "carry over" on loan, subject to repay-

ment, without notice. When such loans are made to the Egyptian Government they are guaranteed by Government Debt securities. The interest accruing from these loans, which is generally at a very low rate, as well as that derived from the investments constituting the Reserve Fund, contribute towards the balance that has to be paid to the Egyptian Government at the end of each financial year, after the expenses of the Debt Commission, the service of the Debt, and the reconstitution of both the Fonds de Roulement and the "carry over" have been met out of the Land Tax revenues.

As a result of the use made of the Fonds de Roulement and the "carry over" the Reserve of the Caisse de la Dette is kept intact; it can only be drawn upon for the service of the Debt in the event of the total revenue of the Land Tax available therefor proving insufficient in any given year. In the unlikely event of this contingency the order in which sums drawn from the Reserve are to be utilized is as follows:—Firstly, service of the Guaranteed Debt, which enjoys absolute priority under all circumstances; secondly, payment of the interest on the Privileged Debt; and thirdly, interest on the Unified Debt.

***Currency and Exchange.**—In a general sense the satisfactory working of Egyptian finance has, undoubtedly, been facilitated by the smooth and automatic operation of the system by which, since the summer of 1916, the circulation of Egyptian paper currency has been expanded or contracted at will without disturbing the parity of Egyptian exchange on London. This system consists of the provision of the cover for the note issue in the form of short term British Treasury Bills easily realizable at their full value, which can be withdrawn from, or deposited in, London, by the National Bank of Egypt, *pari passu* with such expansion or contraction of the note issue as may be required to finance the cotton crop and meet the demands of trade.

It came into being as the result of the arresting affects of the Great War on the movement of gold, and has proved of such inestimable value to Egypt in many ways that a *resume* of the developments that brought it into operation should interest all who are concerned in Egypt's foreign trade and the marketing of her cotton.

Before the War, the Egyptian currency was metallic, being on a gold basis, with silver as a token money, and an auxiliary note circulation of the National Bank of Egypt's notes which rose from £E. 140,000 in 1901 to £E. 2,200,000 in 1914.

The cotton crop was then financed and the annual trade balance liquidated, by gold, chiefly British sovereigns. With the outbreak of war, however, movements of gold ceased automati-

* The information on "Currency and Exchange" is based on an article by Mr. L. G. Roussin, C.M.G., published in "L'Egypte Contemporaine," February, 1924. An English translation thereof can be consulted at the Department of Overseas Trade, London.

cally, and on August 2nd, 1914, it was decreed that the bank notes of the National Bank of Egypt should become legal tender, thus relieving the Bank of the necessity for redeeming its notes on demand with gold.

Part of the cover for the note issue was then in Egyptian Treasury Bills, which were subsequently gradually replaced by the purchase of British Treasury Bills, and until November, 1914, the withdrawal of gold from circulation sufficed, in spite of an increase in the note issue, to provide cover for half of it.

During that month, however, the demand for bank notes rose to a figure in excess of double the amount of the gold reserve, and the National Bank was authorised provisionally to have gold earmarked at the Bank of England, which was to be considered as constituting part of the gold reserve covering half its note issue. This arrangement, which created the germ of the system prevailing to-day, enabled the National Bank to deposit or withdraw specie in London, against the issue or withdrawal of bank notes in Cairo, and was therefore the equivalent of a power to make telegraphic transfers in either direction at par. As this arrangement would have given the National Bank of Egypt the monopoly of exchange operations, similar facilities were extended to the other local banks.

In the summer of 1916, simultaneously with the increase of the note issue to nearly £E. 11 millions, of which nearly £E. 6½ millions were covered by gold, the Bank of England informed the National Bank of Egypt that it was no longer possible to place gold at its disposal as cover for any of its note issue, and from October 30th of that year, when it was officially declared that British Treasury Bills might be held in lieu of the gold moiety of the note backing, the basis of the monetary system ceased to be a gold-exchange standard, and became a sterling-exchange standard. The other half of the cover was almost entirely in British Treasury Bills and War Loan Stocks, which were purchased with the proceeds of Egypt's exports, and the net result was that practically the whole of the cover for the note issue came to be provided by short-term British securities which could be readily realized at their full value *pari passu* with the withdrawal of Egyptian bank notes from circulation.

Cover for the note issue of £E. 36,400,000 on December 31st, 1923, was provided as follows:—

Gold—		£E.	m/ms.	£E.
Gold	.. .. .	3,339,576	201	
British Treasury Bills (equivalent to gold)	.. .. .	14,860,423	799	
				18,200,000
Securities—				
Egyptian Government securities and securities guaranteed by it		420,849	780	
British Treasury Bills and National War Bonds	.. .. .	17,779,150	220	
				18,200,000
				<u>36,400,000</u>

It will be seen from Appendix I, showing the monthly note issue, and the yearly trade balances during 1919 to 1923 inclusive, that the total note issue quoted above by no means represents the maximum reached in post-war years. The favourable trade balance of 1919, amounting to nearly £E. 33 millions, added to several millions representing the expenditure by the British Expeditionary Force, necessitated an increase of the note issue to £E. 67,300,000 on December 31st of that year. However, as the result of the deposit in London of British Treasury Bills equivalent in value to that of the bank notes as they were issued, this expansion of monetary circulation was made possible without in the smallest degree affecting the parity of exchange on London.

Similarly in 1920 and 1921 when unfavourable trade balances of nearly 14 and 13 millions of £E respectively caused the note issue to shrink to £E. 30 and a half millions in August of the latter year, the realization of British Treasury Bills, *pari passu* with this contraction, enabled this upheaval of the internal economy of the country to be faced without any difficulty arising out of depreciation of the exchange on London.

It is important to note that bank notes are not issued in Egypt to meet Government expenses. They are issued to provide the requirements of production and commerce. They have served to finance the cotton crop ; a part of the issue has returned from circulation to buy exchange to pay for imports ; another part has been deposited in the Banks who have utilized it for the purchase of foreign securities ; and the last part remains in the hands of the public, being the balance of savings which the holders prefer to keep in their own possession.

The Budget, 1924-25.—The first Egyptian Budget framed under the ægis of parliamentary control of the country's finances was not presented to the Chamber of Deputies until April 26th, 1924, and as it is, at the moment of writing, in the Committee Stages, the following figures from an article in the press on the Note on the Budget drafted by the Finance Committee of the Ministry concerned are quoted subject to possible subsequent alteration.

The Budget for 1924-25 as presented to Parliament was balanced at £E. 34,400,000 ; the expenditure being estimated at £E. 34,180,000, a surplus of £E. 220,000 is thus forecasted. In comparison with 1923-24 the estimated Receipts and Expenditure show decreases of £E. 505,000 and £E. 175,000 respectively.

Receipts.—There is nothing of an unusual character about the estimated revenue other than the sum of £E. 150,000 representing the proceeds of the sale of cotton purchased by the Egyptian Government. The estimated gross increase of revenue under certain heads amounts to about a million and a half, of which £E. 719,000 is expected to accrue from increased Customs revenue ; but this gross increase must be offset by an estimated total decrease of £E. 829,000, for £E. 581,000 of which the Rail-

ways (as is explained later on) are expected to be responsible. The receipts from the Cotton Tax are estimated at £E. 1,250,000 calculated on a basis of 5 millions of cantars of ginned cotton taxed at the rate of Pt. 25 per cantar.

Expenditure.—Economies in the credits for all Departments of the Egyptian Government are accounted for by the decline in the prices of materials, and the reduction of Railway freight charges. The sum of £E. 3,964,000 is allowed for new works, of which the following are of commercial or industrial interest.

Public Works.—£E. 50,000 is to be used for the purchase of the two new pumps at Abou Menage ; £E. 165,000 is allotted for irrigation works in the Soudan ; new machinery will be required for the pumps at Atf ; for the Government Arsenal, and for Mex Pumping Station.

A new Palais de Justice for the accommodation of the Mixed Courts in Cairo has already been begun, and a further extension of the Cairo Museum is needed to house the Tutenkhamen treasures ; expropriation, with a view to constructing two new tram lines in Cairo, is provided for ; as is also the purchase of mechanically propelled water-carts for its streets.

Harbour Works.—£E. 201,000 is allotted for the extension of Suez Harbour (which was recently put up to tender, offers being confined to two German, one Italian and one local, firms) ; £E. 20,000 for rebuilding the Customs House at Port Said, and £E. 7,000 for a floating dock to be built for Government vessels.

According to a report recently drawn up by an Italian harbour expert £E. 1,700,000 is estimated as the total that will eventually be needed for new works in Egyptian ports. A beginning is to be made in 1924–25 with the expenditure of £E. 70,000 on a petroleum basin and a railway swing-bridge over the Mahmoudieh Canal.

Communications. Railways.—The credit allotted to the Egyptian State Railways for 1924–25 is considerably less than in 1923–24 as the result of the liquidation of the old stock of coal, which enabled the working cost to be lightened by reducing the average price of the actual stock from £E. 7 to £E. 2½ per ton. Further, as a result of the diminution in cost of working the railways, freight charges and passenger rates have been reduced to such an extent (e.g., 30 per cent. on first-class, 20 per cent. on second-class and 10 per cent. on third-class fares as from June 1st, 1923), that the public benefits to the extent of £E. 800,000, although it is expected that the normal development of traffic will make good £E. 219,000 of this, thus accounting for the estimated decrease of £E. 581,000 in revenue from the railways. In spite of the diminution of this important source of revenue it is confidently anticipated that the financial situation of the railways will not suffer, but that their exploitation in 1924 will

give the minimum profit that can be expected from an enterprise of this nature, viz., 5 per cent. of the capital sunk in the railways.

The coefficient of exploitation is fixed at 70 per cent., which is slightly above the pre-war level, and it is probable that this rate will have to be maintained for some time to come in view of the fact that the railway system has suffered greatly from difficulties in the way of its normal upkeep. The railways will therefore call for heavy expenditure on the work of, and supplies needed for, renewal to make good the extensive deterioration of track and railway material.

In the meantime new works include the Alexandria Terminus commenced some years ago, but not likely to be completed for another year or 18 months, for which £E. 73,000 is allotted; the new station at Embabeh near Cairo, £E. 30,000; the reconstruction of the power plant of the railway workshops, £E. 20,000 and a preliminary expenditure of £E. 10,000 on rebuilding Dessouk Bridge. As regards the Embabeh railway bridge only £E. 69,000 was spent out of the credit of £E. 153,000 for 1923-24, the balance is therefore carried forward to 1924-25. Besides the above there is £E. 137,500 for purchase of rolling-stock, and £E. 30,000 for renewal of signals.

Telegraphs and Telephones.—New works comprise the construction of a central building for both services at a cost of £E. 15,000; the inauguration of an automatic telephone system £E. 29,500; the extension of the Alexandria telephone system £E. 14,000, and underground telephone installation £E. 17,000. For the purchase of additional telephone instruments to cope with the expected increase in subscribers a sum of £E. 45,000 is allotted.

No reduction of telephone charges is yet possible, but telegraph rates were recently considerably reduced.

Roads and Bridges.—Mechanical transport has made such strides that road-carrying bridges now require reinforcement, and a credit of £E. 61,000 is allowed for this purpose.

Agriculture.—£E. 14,000 is allotted for the purchase of flax-seed in order to encourage its cultivation in Egypt, and £E. 156,000 is to be used for the purchase and distribution of cotton seed. In order to guard the cultivators against the use of bad fertilizers a sum of £E. 400,000 is to be devoted to the purchase of reliable and harmless chemical manures, which will be sold to them at cost price.

Provincial Councils.—In view of the extent to which purchases of plant and machinery manufactured out of Egypt have hitherto been made by provincial municipalities and councils it is interesting to note that, as the Government considers they should be self-supporting, no credits will be allowed to them in 1925-26.

Government Administration.—It is stated in the Press that the Government's salaries and wages bill amounts to more than 38 per cent. of the total expenditure, and is £E. 500,000 more

than the sum provided therefor in the Budget of 1923-24, in spite of the departure by April 1st, 1924, of hundreds of British and foreign officials whose compensation and pensions are provided for separately.

Financial Policy of the Egyptian Government.—It is difficult to reconcile increased expenditure of this nature with the marked conservatism of the present Minister of Finance in the matter of the General Reserve Fund, which he is anxious to increase and husband as much as possible. His chief reasons for being reluctant to draw upon it to inaugurate any of the schemes that have been put forward for the development of the country are, firstly, that the revenues of Egypt are limited by international restrictions (as explained earlier in this Report), and, secondly, that the financial future of the country, owing to its economic dependence on a single crop, is uncertain, consequently provision against a future financial crisis must be made.

Government Purchase of Cotton.—It is to be expected that however conservative the financial policy of the Government may be, money will always be forthcoming when needed for intervention, as happened in 1923 for the third successive year, in the cotton market in an attempt to bolster up prices regardless of the laws of supply and demand, and in spite of the fact that any artificial inflation of prices that may result from such procedure is apt to cause a reaction sooner or later, and that cotton, originally bought in small lots, if thrown on the market in bulk, may depress prices and thus defeat the very object which formed the *raison d'être* of its purchase.

On July 31st, 1923, a credit of £E. 500,000 was opened with a view to the purchase during the then ensuing cotton season of about 10,000 bales, for which storage was duly arranged. However, up to March 31st, 1924, less than half this quantity, viz., about 4,000 had been purchased at a total cost of about £E. 210,000, representing an average price of nearly \$34 per cantar. A profit of 50 per cent. could have been made had the Egyptian Government sold their cotton at the top price attained during the current season up to the end of the financial year 1923-24, viz., \$51 on December 3rd, 1923, but the opportunity, which may prove to have been a golden one, was lost, and on March 31st, 1924, they still had on their hands, not only the 4,000 bales purchased during the current season, but also 2,000 bales left over from their purchases in the preceding season, which cost them an average of \$35 per cantar. It is possible that the sum of £E. 150,000, estimated in the budgetary receipts as the proceeds of the sale of Egyptian Government cotton, will not be realized in its entirety owing to the opposition of some of the most strenuous advocates of cotton purchase by the Government, if the latter's proposal to sell in bulk happens to coincide with a period when the former are selling their own cotton at remunerative prices.

It may be of interest to compare Government cotton purchases in 1922 and 1923 with individual transactions, as well as with

the totals of cotton exports, in order to show that there was no intention on the part of the Government to "corner" cotton in either year.

During the 1921-22 season, 21, and in 1922-23, 27, of the cotton exporting firms of Alexandria each shipped a total number of bales exceeding 10,000, and varying upwards to nearly 90,000. Further, the grand total of bales exported in 1921-22 amounted to 763,528, and in 1922-23 to 945,338, while up to March 28th, 1924, the total had reached 703,339. When the contemplated purchase of only 10,000 bales in the current season, and an actual purchase of only 4,000 up to the date quoted above, are compared with individual and total exports respectively, the insignificance of the proportion which Government cotton purchases bear to the general movement of the cotton crop will be readily appreciated.

Movement of the Cotton Crop.—The partition among the principal purchasing countries of the totals given above of bales exported in the 1921-22 and 1922-23 seasons is shown in Appendix II, from which it will be seen that Great Britain's purchases fell from 46 per cent. of the 1921-22 exports to 43 per cent. in 1922-23, whereas those of the U.S.A. remained constant at about 22 per cent.

More detailed figures of the actual value and quantity in cantars exported during these two seasons to each of the principal countries are to be found in Appendix III, which is so arranged that the distribution of cotton exports between the first four and last eight months of the two seasons in question is clearly shown. The reason for this arrangement is that the quantity, and often the value, of exports during the first period is sometimes greater, and rarely very much less proportionately than that during the doubly-long second period.

This Appendix is consequently of interest in conjunction with Appendix I, which shows that the expansion and contraction of the note issue corresponds to the opening and closing months of the cotton season respectively.

The two final columns of Appendix III show that, as the result of appreciable proportional increases in the exports of cotton to every country except Germany during the 1922-23 season as compared with its predecessor, the total quantity of cantars exported rose from 5,806,813 to 7,172,510, with the result that the stock in Alexandria was only 803,000 cantars at the end of the season, as compared with 1,332,000 twelve months previously. It is also satisfactory to note that the almost complete clearing up of the stocks of old crop cotton in the interior, some two, or even three, years old, accounted to some extent for the large increase in Arrivals and Exports (*see* Appendix II) during 1922-23. Thus the 1923-24 season opened under much more favourable conditions than the previous one owing to prospects of greater uniformity of quality and staple resulting from the reduction of old crop cotton in the interior to practically nil.

Cotton Prices.—How far these prospects are borne out by results during the whole of the current season remains to be seen, but in the meantime, taking the Customs statistics as a uniform basis for calculation of prices, the value per cantar for the total exports during the first four months of the 1923–24 season, is \$35·99 which compares most favourably with \$30·29 for the whole of the 1922–23 season. The corresponding figures for the five seasons previous to 1922–23 are as follows :—

						\$
1916–17	..	..	..	..	..	38·54
1917–18	..	..	..	..	..	37·34
1918–19	..	..	..	..	..	40·54
1919–20	..	..	..	..	..	80·13
1920–21	..	..	..	..	..	34·22

The fluctuation of prices during any given calendar year is to some extent indicated by the variations in the monthly Customs valuation of the price per cantar on which export duty of 1 per cent. *ad valorem*, plus 1·25 per cent. *ad valorem* for quay and municipality dues, are collected. Opening with \$30·25 in January, 1923, this valuation rose to \$31·65 in February, and then fell to \$28·50 in August, from which lowest figure it rose during the first four months of the current season to \$47·50 in December. However, as these figures, being fixed for a month at a time naturally do not give the exact extent of either spot or contract price fluctuations it should be noted that the maximum spot quotations recorded in the Weekly Bulletin of the Alexandria General Produce Association for the above-mentioned months for F. G. F. Sakel were, January \$33·75, February \$32·75, August \$31·50 and December \$45·50. The absolute maximum and minimum week-end contract prices during 1923, quoted from the same source, were \$50·60 in November and \$30·20 in June for F. G. F. Sakel, and \$45·65 in November and \$28 in June for F. G. F. Ashmouni.

The current season began with the following contract quotations, the nearest months being taken in each case as the basis : Sakel \$32·88, and Uppers \$28·25, on September 1st, 1923, which, as the result of reports of a crop shortage in the U.S.A., reached £39·10 and £37·80, respectively, on November 10th, and rose appreciably every week until January contracts for Sakel touched \$51 on Monday, December 3rd. However, a strong reaction set in as the result of fresh news from the U.S.A., announcing a larger crop, and prices slumped to \$42·75, recovering later to \$45·90. The corresponding nearest month quotation on the same day, viz., December 8th, for Uppers was \$43·15. The two last-quoted figures have not since, *i.e.*, up to March 31st, 1924, been surpassed, or even equalled, for nearest month quotations, but as the season advances and the shortage of cotton becomes more apparent, hopes are entertained of higher prices, while rumours current at that date, and later, regarding a diminution in the sowing of Sakel for the 1924–25 crop, if confirmed, may cause a rise in the price of this variety.

However, it cannot too often be pointed out that the price of and demand for Egyptian cotton are determined by external factors, primarily world supply and world demand, as well as by local conditions. Short time in Lancashire, coal, dock or railway strikes in England, political developments and speculative campaigns in the U.S.A., may be cited as examples of elements which are capable of temporarily depressing Egyptian cotton prices in the face of the most potent agricultural and economic factors that may be manifest in Egypt.

Sakel v. Uppers.—This fact does not, however, justify a disregard of internal factors, since there is one which merits the earnest consideration of all consumers of long-staple cotton, viz., the tendency of the growers of cotton in Egypt to plant more Ashmouni and Zagora and less Sakellarides in Lower Egypt. As this tendency is dictated by financial considerations pure and simple, the remedy for the evil, if they consider it to be one, lies in their own hands. From the point of view of the grower the contention that he will find the planting of Uppers, *e.g.*, Ashmouni Zagora, which, under normal cultivation in Lower Egypt, produce an average of 4·1 cantars per feddan (acre), as compared with 3·3 cantars of Sakel, the more remunerative of the two seems to him unanswerable when the same day, viz., June 15th, 1923, witnesses, firstly, the contract price of F. G. F. Sakel declining to \$30·20 and that of F. G. F. Uppers rising to \$30·25; secondly, spot prices at \$30·25 and \$30·13, respectively; and thirdly, the conversion of the premium usually enjoyed by G. F. Sakel over F. M. American into a loss of 5·1 per cent., the corresponding spot prices at Liverpool being 15·90 and 16·76 pence per pound.

Even on November 30th, when the premium of Sakel over American reached the high-water mark for 1923, of 21·6 per cent., viz., 26·40 and 21·72 pence per pound respectively, the margin of difference between the highest spot prices attained by both Sakel and Uppers during 1923, viz., \$50·25 and \$45·75, respectively, was only \$4·50.

Although this constituted the maximum margin for 1923 it is not sufficiently far removed from the minimum of \$0·12 attained on June 15th, to make it represent the 25 per cent. premium of Sakel over Uppers required to make an acre of each equally remunerative.

The crux of the matter is the frequently recurring tendency illustrated above for the margin between Sakel and Uppers, and the premium of Sakel over American to narrow. It should be noted that these two features were made the most of by the partizans of Government purchase in 1922 and 1923, and it is significant that, although, as already shown, the margin of Sakel over Uppers was by no means at its narrowest in October, 1923, this state of affairs should have given rise to the rumour that the Government intended to curtail the cultivation of Sakel in the 1924–25 season to an even greater extent than growers had done in the 1923–24 season on their own initiative.

The strides which curtailment of Sakel in Lower Egypt (the only part of the country where it can be grown with any success) has made in 1923 and 1924 are best realized by a comparison of the percentages of Lower Egypt acreage sown with Sakel in the two years above mentioned with those of previous seasons. A glance at Appendix III to the Annual Report for 1922 will show that the average percentage of Lower Egypt acreage under Sakel during the seasons 1917-18 to 1920-21 was 91·84, and that in 1922-23 the percentage was as high as 97·24. In 1923-24 however, this had shrunk to 79, and provisional estimates for the next season are placed at 68. It is true that acreage under cotton is not restricted in the 1924-25 season, but the fact that previous areas, restricted in theory by law, have in practice proved to be nearly as large as if they had been free of legislative limitations, would seem to weaken the argument that next season's total acreage will be increased on such a scale that the margin of increase will compensate for the reduced cultivation of Sakel and result in producing a crop of this variety of the same extent as that for the 1923-24 season.

The best that Sakel can do under improved conditions of seed and cultivation is 4·39 cantars per feddan, as compared with an average of 3·3 under normal cultivation. Uppers, on the other hand, produce an average of 4·1 in Lower Egypt and 4·8 in Upper Egypt under normal cultivation, whereas in Upper Egypt under the improved conditions referred to above, Zagora can produce 9·87 and Ashmouni 9·92 cantars per feddan. Thus, although the normal cultivation of Uppers in Lower Egypt has a prejudicial effect on its productiveness, it still remains more prolific than Sakel, and it must also be borne in mind that Sakel, which matures later than Uppers, is more exposed to damage from boll worm attack. Further, although certain agricultural experts maintain that the cultivation of Uppers in Lower Egypt is prejudicial to their quality there is also the risk of the quality of Sakel deteriorating as the result of its cultivation in close proximity to Uppers.

From the foregoing it will be clear that the scales are weighed against Sakel so long as spinners who need large quantities of long staple cotton of good quality, either will not, or can not, offer a price for it that will induce the grower to do his best to meet their requirements, and thus remove the growing menace to the supremacy of Sakellarides.

Yield and Acreage.—Reliable estimates of the extent to which Uppers have been sown in Upper and Lower Egypt, and Sakel in the latter in 1924, will not be possible until the 1924-25 season's crop is coming in. As regards the yield and acreage for the 1922-23 and 1923-24 seasons, there has been so much divergence between official and unofficial estimates, with the balance of approximation to the truth very much in favour of the latter, that it is wiser to refrain from attempting or even quoting estimates of yield or forecasts of out-turn. There would appear, however, to be a reasonable prospect of the official estimates of

yield and acreage for the 1924-25 season being more reliable because, and not, as one would suppose, in spite, of the fact that cultivation in 1924 is unrestricted. Paradoxical as it may appear, correct official estimates of acreage are far more difficult to obtain in seasons when cultivation is restricted than when it is not. This is clearly explained by the Cotton Research Board in their report for 1922 as follows :—

“ The estimation of the average yield per feddan (acre) is carried out by the officials of the Ministry of Agriculture, while the area figures are furnished by the Statistical Department of the Ministry of Finance, these being based entirely on returns received from the sarrafs (tax-collectors) of the Direct Taxes Department. Checks carried out by the Survey Department in the past have shown that these area figures possessed a very high degree of accuracy. In 1922 (and probably to some extent in 1921) the existence of the law limiting the area under cotton has operated against accuracy in the sarrafs' returns. Cultivators in reporting their cotton areas to the sarrafs (who only act as recorders and have no means of checking the information supplied) naturally abstained from revealing contraventions to the law, and limited their reported cotton areas to one-third of their properties. Even cultivators in zones exempted from restriction in many cases considered it more prudent not to report more than one-third of their holdings as being under cotton.”

The estimation of yield is a far more difficult problem owing to the prejudicial effect on the crop that weather, water, and weevils may have during germination, &c.

Government's Policy towards Trade and Industry.—The first Egyptian Cabinet to be responsible to a Parliament has so far shown itself strongly in favour of extending Egypt's industrial activities, whether promoted by European enterprise or not, and in addition to publicly assuring the Association Generale des Industries Egyptiennes of its support and encouragement, contemplates the formation of a consultative body to study industrial problems. This policy is, however, subject to the control and modification so far as possible of existing foreign monopolies and concessions that savour of monopolies, and the discouragement of future attempts in this direction.

(1) *Joint Stock Companies.*—This attitude towards concessions and monopolies is a legacy from the Minister of Finance who in 1923 advocated the formation of an office for their strict economic and financial control, and inaugurated certain fresh regulations (published in the *Board of Trade Journal* of October 18th, 1923) which are to be applicable to the future formation of Joint Stock or Limited Liability Companies (Societes Anonymes) in Egypt. Two of these new regulations may prove to be embarrassing in some cases to future foreign limited liability companies, viz., the inclusion of an Egyptian member on the Board of Directors, and the obligation to publish balance sheets in the newspapers.

(2) *Oil Regulations.*—The principal features of the Petroleum policy of the Egyptian Government in 1923 were the continued lack of cohesion between the three Departments concerned, and their attempt to impose on the Petroleum trade and industry of

Egypt regulations for storage of so drastic a nature that their application in their original form would certainly have curtailed, and might in some cases have terminated, the activities and enterprise of the private companies concerned.

The predecessors of the present Egyptian Government have proved, as the result of costly and non-productive adventures in search of Egyptian oil, that prospecting and exploitation are better left in the hands of private firms ; it is therefore to be hoped that the Egyptian Parliament will not hamper the legitimate activities of the European companies who provide Egypt's requirements of petroleum and its products.

(3) *Cotton*.—Two attempts, which so far, fortunately, have proved abortive, were made by the Egyptian Government in 1923 to introduce legislation affecting Egypt's cotton industry whose application would, in one case, by upsetting the system regulating the sale of cotton, and in the other, by hampering the work of the ginneries, have so handicapped the marketing of cotton as to make it unworkable, and thus have done incalculable harm to the very people whose interests they were intended to protect and benefit, viz., the growers.

The only legislation affecting cotton that has been enacted during the period under review consists in the postponement till June 8th of the law enforcing the ginning of cotton by a certain date, which in previous years, since its inauguration in 1919, has been April 30th. It may be of interest to note, in view of the probable effect that this will have on the collection of the tax on ginned cotton, that whereas the Budget for 1923-24 estimated receipts therefrom at a total of £E. 1,178,000, the amount collected during that financial year totalled £E. 1,527,451, representing 6,109,804 cantars of ginned cotton at the rate of Pt. 25 per cantar.

(4) *Sugar*.—The termination of sugar control on May 10th, 1923, opened the door to unrestricted importation of foreign competitive sugar, both raw and refined. On October 25th, 1923, an excise duty of 2 per cent. *ad valorem* was imposed on all sugar whether of Egyptian or foreign origin subjected to any operation of refining by mechanical processes in Egypt, and the *ad valorem* import duty on refined sugar was raised from 8 per cent. to 10 per cent. (Sugar from native factories which employ no mechanical power and supply purely native requirements of molasses is exempt from this excise tax.)

In the event of the export abroad of sugar refined in Egypt, the excise duty is refunded subject to formalities which take some time to complete.

Statistics of the import and export of sugar, both raw and refined (which are dealt with in the course of the general remarks on imports and exports), are illuminating as showing the results in less than seven months of the removal of sugar control.

(5) *Alcohol*.—The specific duties on imported alcohol were again modified by a Decree dated May 12th, 1924, which, while

simplifying previous regulations, has on the whole increased these duties. (Details will be found in Appendix XIII giving the Customs and Excise Duties actually in force.) Excise duties on locally distilled alcohol have undergone no change, but it would appear from the decline in revenue, viz., from £E. 276,708 in 1922–23 to £E. 210,953 in 1923–24, which is largely accounted for by decreased local production that the excise duties on alcohol are too high.

(6) *Tobacco*.—By a Decree dated June 26th, 1923, the quay dues at all three ports on the import of leaf and manufactured tobacco, and on the export of cigarettes, were doubled. (For details see Appendix XIII.) As the imports of leaf tobacco decreased in 1923 by 280,000 kilogs it will be interesting to see whether the high specific duties on imported leaf tobacco, of which a proportion is refunded as drawback on its export in the form of cigarettes, are reduced during the course of 1924.

(7) *Fertilizers*.—The exemption of chemical manures from import duty has so far been renewed from year to year (financial) by the Council of Ministers. At the time of writing they had not come to any decision thereon, and as from April 1st, 1924, the beginning of the current financial year, the Customs Administration have been collecting duty provisionally at the normal rate of $8\frac{1}{2}$ per cent. *ad valorem*. Tenders have already been invited for the chemical manures which the Ministry of Agriculture contemplate purchasing for the use of the cultivators.

(8) *Loans to Industry*.—Although a sum of £E. 100,000 was placed by the Government in 1922 with the Bank Misr, at a low rate of interest, for the purpose of loans to small industrialists, the total used by the Bank for this purpose in 1923 only amounted to £E. 14,500.

(9) *Agricultural Co-operative Societies*.—On July 5th, 1923, a law was passed defining the objects, attributes and functions of native agricultural co-operative societies, and on the following August 29th a Ministerial decision was published setting up administrative machinery for their registration and inspection, and a consultative committee to investigate all questions arising out of the constitution and working of these societies. More recently a grant of £E. 250,000 by Parliament as a subsidy to them was proposed.

(10) *Cotton Research Board*.—It is to be hoped that technical and scientific questions affecting, and arising out of, cotton cultivation will be left in the capable hands of the Cotton Research Board, whose members are all experts and whose experimental and research work is solely inspired by, and directed towards, the improvement of the yield and quality of Egyptian cotton.

The energies and close attention of the Board during 1923 have been occupied with such work as bulk propagation of selected strains; breeding new varieties; hybridization; irrigation tests; rotation investigation; of cotton diseases and cotton pests;

and the best means of combating them ; comparison of different methods of sowing, &c., &c.

General Finance. *Banking.*—Italian banking enterprise has been prominent as the result of the opening of a branch of the Banca Commerciale Italiana, and the formation by the Credito Italiano in conjunction with the Banco di Roma of a new bank to be known as the Banca Italo-Egiziana, which in effect means the reorganization of the Banco di Roma per l'Egitto e il Levante, formed in 1922.

German banking activity will be shortly renewed in the shape of the reopening in Cairo, Alexandria, and later, the provinces, of branches of the Deutsche Orient Bank.

The periodical rumours regarding the formation of an *American* Bank to assist in the financing of the cotton crop have not so far materialized.

The *Egyptian* Bank, or Banque Misr, has considerably extended its business during 1923, and has increased the number both of its deposits and of its shareholders.

Financial developments.—A recent financial transaction of some importance locally consisted of the purchase by British interests of a large block of shares held by the Banco di Roma and the Cassa di Sconto in the flourishing local concern which enjoys the virtual monopoly of taxicab exploitation in Egypt.

A recent judgment of the Mixed Court of Appeal of Alexandria is of considerable importance to shareholders in companies operating in Egypt whose capital is in French or Belgian francs. By this judgment it was decided for the reasons stated therein that interest on the 5 per cent. Debentures in the Company concerned must be paid in Egyptian francs at the rate of Pt. 3·8575, and not, as has been the case since 1917, in paper francs. As there are several other companies who pay dividends in paper francs, this decision may have far-reaching results.

Stocks and Shares, 1923.—*State Funds.*—Unified and Privileged Debt advanced steadily throughout the year, and set-backs, which occurred rarely, were only of very short duration. Unified were quoted at the last session of 1922 at 69½ and Privileged at £60½, closing on December 31st, 1923, at £74½ and £64½ respectively. The important rise in cotton during the latter half of 1923 no doubt contributed very materially to the firmness of these stocks. The highest quotations of the year, and the lowest, were as under :

—	Highest.	Date.	Lowest.	Date.
Unified	£74½	Dec. 27th	£68½	Jan. 29th
Privileged	£64½	„	£59½	Jan. 18th

Banks.—Bank shares also recorded a steady advance during the year; National Banks from £21½ to £24½; Land Banks from £7½ to £10½, and Credit Foncier Egyptiens from Fcs. 736½ to 799½ fcs. The National Bank paid their final coupon of 22s. in April, making a total of 30s. for the year; the Land Bank paid 12s.; the Credit Foncier paid Pt. 136. The highest and lowest quotations for the year were as under:—

—	Highest.	Date.	Lowest.	Date.
National Bank	£24½	Nov. 20th	£21½	Jan. 3rd
Land Bank.. ..	£10½	Dec. 5th	£7½	Jan. 3rd
Credit Fon.	805½ fcs.	Dec. 27th	695½ fcs.	March 7th

Land shares.—The high level of cotton values naturally had a hardening influence upon land shares during the last year, Beheras advancing from £7½ to £12½; New Egyptians from 22s. to 27s.; Wadi Komombos from £4½ to £5½; and Union Foncières from £2 to £2½. The highest and lowest prices quoted during the year for these shares were as follows:—

—	Highest.	Date.	Lowest.	Date.
Beheras	£12½	Dec. 21st	£6½	Feb. 1st
New Egyptians	28s.	Nov. 21st	20/9d.	June 4th
Wadi Komombos	£5½	Nov. 20th	£3½	April 17th
Union Foncières	£3½	Dec. 3rd	£1½	Feb. 21st

Water Company shares.—The general upward tendency in the stock and share market during 1923 was followed by Alexandria Water Company shares, which advanced from £9½ to £12. The lowest quotation was £9½ on January 13th and they rose steadily thereafter to £12 on December 31st. The dividend paid was 13s. 3d.

Railways and Industrial.—Alexandria and Ramleh Railways also advanced, though owing to pressure that was brought upon the Company to reduce fares the shares were rather severely dealt with at one time, and they were quoted as low as £2½. Subsequently, however, they recovered to £4½ and a dividend of 4s. was paid last November. Pressage shares rose from £14—the price at which they were first quoted after subdivision in June—to £15½, the highest quotation being in the neighbourhood of £19½ (cum. div. Pt. 375).

Interest on investments.—On the basis of the last dividends paid, it is interesting to note that at the closing quotations of 1923 the majority of the gilt-edged securities still provided in-

vestments giving what must be regarded as quite attractive returns. Thus:—

On the basis of 4 per cent.—	Give a return of approximately.
Unified at £74½	5½ per cent.
3½ per cent. Privileged at £64½	5½ ..
Pt. 40 Beheras at £12½	3½ ..
2s. New Egyptians at 27s.	7½ ..
Pt. 29½ Komombos at £5½	5½ ..
Pt. 14·6 Union Foncieres at £2½	5 ..
13/3d. Alexandria Waters at £12	6 ..
Pt. 375 Pressages at £15½	25 ..
4s. Alex.-Ramleh Rlys. at £4½	4½ ..

II. TRADE.

TOTAL FOREIGN TRADE.

An increase of some £E. 1,900,000 in Imports and of £E. 9,671,000 in Exports in 1923 over 1922 has, in spite of a decline of over a million in re-exports, not only produced a favourable trade balance of £E. 14,500,000, but also, as shown in Appendix I (b) raised the total foreign trade of Egypt above the £E. 100 millions mark for the third time since the war. The greater increase in Exports is due, as might be expected, to the successful marketing of Egypt's cotton, the export of which in the year 1923 realized nearly 50 millions £E. as compared with close on 40 millions £E. in 1922.

Imports.—The increase in Imports is chiefly accounted for by Cotton Piece Goods, Wheat Flour, Tea, Sugar, and Coal, in that order, in spite of decreases, as will be seen in Appendix IV, in six out of fourteen categories, and in Tobacco as well. Of the foregoing commodities Sugar is the only one that is not dealt with in detail in a separate Appendix, but it is worth particular mention here as showing the results in less than eight months of 1923 of the removal of control and of the prohibition of imports, other than by the Sucrieries Company of Egypt.

Thus the import of raw cane, all from the Dutch East Indies, rose from nil in 1922 to 2,820 tons, worth £E. 74,290 in 1923; beet sugar, chiefly from Czecho-Slovakia, from nil to 1,316 tons worth £E. 42,000; and refined cane from 145 tons to 405 tons, mostly from Great Britain, the corresponding values being £E. 3,700 and £E. 11,490.

Shares of Principal Countries. (See Appendix V.)—The countries which have chiefly contributed to the total increase are Italy (who, by increasing her imports by more than £E. 1,100,000 and her percentage of the total imports from 7·3 to 9·42, has superseded France and attained second place after the United Kingdom), Australia and New Zealand, British India, other British Possessions in the Far East, Palestine and Russia. Thus, although

the increase in the United Kingdom's imports is so small that her percentage of the total imports has fallen from 34 to 32·6, the Dominions and Colonies, by increasing their combined percentage from 7·06 to 8·95, have raised that of the British Empire (excluding Palestine and Mesopotamia which have both increased their imports) from 41·06 to 41·55.

Other countries whose imports have increased are Belgium, China, Czecho-Slovakia, Holland, Japan, Switzerland, Syria and the United States of America, while decreases are to be seen in the case of Austria, Chile, France (whose drop of over £E. 200,000 helped Italy to usurp the place she held in 1922), Germany, Roumania, Sweden and Turkey.

Empire Trade.—The increase of nearly half a million £E. in imports from Australia and New Zealand, which rose in 1923 to the fifth place, and exceed those from the United States of America, is almost entirely due to Wheat Flour (*see* Appendix VI). This commodity also contributes, together with Tea (*see* Appendix VI), Jute Textiles, Cotton Yarn and Cotton Piece Goods dyed in the yarn, to British India's increase of £E. 400,000. Tea also accounts for a good deal of the increase of £E. 130,000 from other British possessions in the Far East.

United Kingdom Fluctuations.—In spite of noteworthy increases of £E. 320,000 in coal (*see* Appendix VI), £E. 76,000 in stationary internal combustion engines, £E. 41,000 in tinplate of all kinds, £E. 37,000 in iron or steel axles, wheels and springs, £E. 30,700 in sewing cotton, and £E. 29,500 in woollen hosiery, the net increase in imports from the United Kingdom in 1923 is only £E. 40,000. The principal decreases are Cotton Piece Goods £E. 70,000, Carpets and Floor Rugs £E. 62,600, Miscellaneous Machinery £E. 60,000, Cotton Yarn and Cheese £E. 46,000 each.

Competition.—As the smallness of the net increase in United Kingdom imports is due to varying decreases in a large number of articles rather than to decreases in a few, and also to increasing competition, a special comparative table has been prepared (*see* Appendix VII) giving the share in 1922 and 1923 of the United Kingdom and her chief competitor in 63 different lines of goods. Owing to the large number of articles in the import of which the United Kingdom has a share, this table is necessarily not all-embracing, but it is sufficiently comprehensive and representative to show both the trend of United Kingdom trade and the chief sources and the extent of foreign competition. Thus, out of the 63 articles in this table no less than 35 show decreases of United Kingdom imports, of which 12 are accompanied by increases and 10 by decreases, in the imports of the same chief competitor in the two years. As regards the 28 articles in which United Kingdom imports have increased, 11 are accompanied by increases and 11 by decreases in the imports of the same chief competitor.

As this analysis does not take into account the articles in which a fresh competitor has appeared in 1923 and taken a larger

share of any particular article than that of the United Kingdom, it should be noted that in the case of 31 out of the 63 articles comprising this table the share of the United Kingdom is less than that of her chief competitor in 1923. Excluding cotton yarn, tea, household soap and wheat flour, in which the Dominions and Colonies carry off the chief honours, the United Kingdom's principal competitors are Belgium, France and Germany: taking the 31 articles above referred to as the acid test of competition, France and Germany each account for 8, and Belgium for 4, besides other articles in which their imports have increased to a figure not far below that at which the share of the United Kingdom stands.

Metal Goods and Machinery.—Imports from the United Kingdom in most of the iron or steel goods included in Appendix VII show an upward tendency, accompanied, however, by the same thing on the part of those from Belgium and Germany; in other kinds of metal goods there is a slight increase in United Kingdom imports with a satisfactory exception in the case of tinsplate of all kinds, while cast-iron pipes from France and industrial tools and implements from Germany have decreased. In three out of the four kinds of machinery mentioned, United Kingdom imports have considerably decreased, the exception being stationary internal combustion engines, of which Swiss imports have declined.

Cotton Piece Goods.—As will be seen, both from the table of general competition dealt with above, and from Appendix VIII, the most conspicuous example of foreign competition afforded in 1923 is the increase in cotton piece goods from Italy, which accounts for more than half of her total increase of £E. 1,100,000 in 1923. The principal factors in the increase of the value of cotton piece goods from Italy by nearly 66 per cent. consist of goods dyed in the yarn—of which her share in 1923 is considerably in excess of that of the United Kingdom—of printed goods and goods dyed in the piece. As regards the quantities imported from Italy the increases are even more formidable: thus the number of square metres of goods dyed in the yarn is nearly double that imported in 1922, and, naturally, considerably in excess of the quantity imported from the United Kingdom, while the proportionate increases in greys, bleached and printed goods and in goods dyed in the piece, are also considerable; the total increase for all categories amounts to nearly 72 per cent.

The decrease in total value of cotton piece goods from the United Kingdom of £E. 70,000 is accounted for by the combined drop in bleached and printed being greater than the joint increase in greys, dyed in the piece and dyed in the yarn, and it should be noted that, although the value of the United Kingdom's imports of dyed in the yarn in 1922 exceeded that of Italian imports by over £E. 124,000, the increase in the latter has been so much greater than the rise in the former, that Italy in 1923

is £E. 187,000 ahead of the United Kingdom. The same feature characterizes the increases in quantity from the two countries in this particular category, and increases in the number of square metres of greys, dyed in the yarn and in the piece imported from the United Kingdom have not sufficed to prevent the decreases in bleached and printed, from producing a net decrease in the United Kingdom total for all categories of 700,000 square metres.

Textiles general.—With the exception of sewing cotton and mosquito net, all the cotton textiles included in Appendix VII show decreased imports from the United Kingdom, the outstanding examples of acute competition being afforded by cotton hosiery from Japan and cotton sheets from Germany.

As regards the woollen textiles included in Appendix VII, French competition in woollen and worsted cloths and woollen clothing is particularly noticeable in view of the fact that United Kingdom imports of both lines have decreased; woollen hosiery is the only article whose increase is satisfactory in every way, since the increase in mixed textiles, woollens and worsteds is accompanied by a proportionately greater increase in French imports.

Motor Vehicles.—The increase in the total number of motor cars and motor lorries from 1,248 to 1,543 in 1923 is due chiefly to a considerable rise in the number imported from the United States of America, which holds pride of place in both quantity and value, the latter having risen by nearly 50 per cent. French imports were more than doubled, British imports increased by about 60 per cent., viz., 57 to 93, accompanied, however, by a considerable decline in value, but appreciable decreases both in number and value of German, Italian, Belgian and Austrian imports, though failing to affect the increase in the total number, brought about a decrease in the total value. The increase in French cars in 1923 consisted, for the most part, of light and "baby" models. British light cars at very reasonable prices, as also those of American and French manufacture, are now successfully challenging the popularity of the Italian model, and it is to be hoped that the British light models, which have recently made their first appearance in the Egyptian market, including "runabouts," which compare very favourably with their cheap looking German rival, will continue to be sold in Egypt at prices that will command a ready market. The import of taxicabs was marked by the introduction of a number of very smart coupés of Italian manufacture, which have proved very popular.

Exports.—The net increase of £E. 9,670,909 in the value of exports in 1923 in spite of decreases in all but five of the categories shown in Appendix IX is due primarily to Cotton, which actually accounts for £E. 9,801,524, but other noteworthy increases are £E. 725,000 in Sugar, £E. 595,000 in Cotton-seed, and £E. 253,000 in Cotton-seed oil, which more than offset the principal decreases, viz., £E. 800,000 in Onions, £E. 265,000 in Cigarettes,

£E. 192,000 in Benzine, £E. 122,000 in Rice, and £E. 36,000 in Eggs. The increase in *sugar* exports is remarkable in view of the fact that the removal on May 10th, 1923, of control automatically terminated prohibition of the free import of this commodity, since in spite of this the quantity of refined cane sugar exported rose from 13,126 tons worth £E. 332,450 in 1922, to 37,550 tons worth £E. 1,057,760 in 1923, the largest share of it going to Great Britain, with lesser quantities to Mesopotamia, Palestine, French Mediterranean Possessions and British India.

Cotton.—It will be seen from Appendix X that, with the exception of the United States of America all the principal purchasers of Egyptian cotton contributed to the total increases in both quantity and value of exports in 1923. The lion's share, both of the actual totals and of these increases, falls to the United Kingdom, but it is worth noting that the increased value and quantity of France's purchases have brought her up to a position not far below that of the United States of America.

Although only nine countries figure in Appendix X as the principal purchasers of Egyptian cotton, the increases in the quantity and value exported are distributed in varying degrees over all the other countries figuring in Appendix XI, which show an increase, and in the case of the great majority of them this increase in value corresponds almost exactly to the increase in their respective purchases of cotton. This is particularly true in the case of Russia, who reappears for the first time as a purchaser of £E. 126,860 worth of cotton.

As regards the United Kingdom, however, it must be borne in mind that being the largest purchaser not only of Egypt's cotton, but also of her cotton-seed, cotton-seed cake and oil, eggs and onions, these commodities contribute as well as cotton to the lion's share of Egypt's exports falling to the United Kingdom.

Promotion of Trade and Industry.—

Advertising and Commercial Propaganda.—The ingenuity of local firms in advertising their own or their principals' wares has not been so varied or conspicuous in 1923 as in 1922, but one form of advertisement or publicity which attracts attention by reason of its strangeness and incongruity is the "sandwich-camel," in other words, a camel, instead of a man, carrying sandwich boards.

The enterprising firm of druggists, referred to in the Report for 1922 as the authors of a novel scheme of publicity, have now inaugurated word-framing competitions for children, the prizes being given in cash or goods. The same firm supplied a well-known brand of eau de Cologne gratis to perspiring entrants at a recent sports meeting.

Electric signs at night are as yet very little used, and with the exception of the cinema theatres, are confined to two or three of the large retail stores.

Exhibitions.—In February, 1924, an exhibition of French Art and Literature was open for a few days in Cairo under royal patronage, and in 1925 an Italian Sample Exhibition is to be held in Alexandria.

Methods of Business.—It is to be regretted that unfair competition in the form of marking reels of cotton thread with intent to deceive buyers in the matter of length is greatly on the increase.

False Folding of Piece Goods.—The decree which came into force as from June 19th, 1923, dealing with the false folding (or lapping) and correct marking of cotton piece goods, has, within the limitations to which it is subject, worked satisfactorily. No substantial amendments have been made in the text of the decree ; information as to how it is being administered by the Customs authorities can be obtained on application to the Department of Overseas Trade. It has justified its existence by restoring to the importer, the middleman, the retailer and the consumer a feeling of confidence that the cloth each of them now buys or handles is full measure. At the same time, although some difficulty is being experienced in the disposal of the stocks still in the country of falsely folded goods, there is an imperative need for legislation to prevent the false re-folding in the interior of goods that have passed the Customs correctly folded.

III.—INDUSTRY AND PRODUCTION.

Industrial Combine.—The membership of the Association des Industries en Egypte is stated to be 80 firms (more than double the number with which it commenced operations in 1922) with a capital of 25 millions of pounds, employing a minimum of 150,000 workpeople, of which about 97 per cent. are Egyptians, and forming, with their families, an aggregate of 800,000 inhabitants. The Association includes several purely Egyptian firms, besides companies which are Egyptian from the legal point of view ; it also comprises British, French, Greek and Italian firms, including most of the important manufacturers of cigarettes. At a recent public function in Cairo, when the present Egyptian Cabinet were invited to a reception by the Association, the latter were welcomed by the spokesman of the Ministry as an example of unity, harmony, tolerance and peaceful progress, and as an international body in which Egyptians and Europeans co-operated, and whose esteem and friendship the present Cabinet warmly reciprocated.

The Association's efforts during 1923 on behalf of local industry and production have met with varying success, but the following results have been obtained :—

- (a) A circular from the Ministry of Finance to the various Government Purchasing Departments, inviting them

to give preference, if price and quality are equal, to local products when adjudicating contracts.

- (b) A Decree on July 18th, 1923, authorizing the Ministry of Finance to exempt from export duty and quay dues certain unspecified goods when exported, provided they are manufactured in Egypt.
- (c) The granting of a drawback of seven-eighths of the import duty on the re-exportation of raw material which has undergone some process of local manufacture.
- (d) The suppression of the consumption duty of 2 per cent. *ad valorem* on plate glass imported for the manufacture of mirrors.

Labour.—A period of labour tranquility which had lasted over a year was broken in November, 1923, by an epidemic of strikes in Alexandria, in only one of which were economic causes the real motive. Since then the strike movement has spread to industrial enterprise of several kinds, including Government employees such as the telephone operators and workmen employed on Government work, such as the construction of the long-delayed Alexandria terminus, and although some strikes have been due to genuine economic causes, the latter have only formed the ostensible reason in a great many cases.

Syndicalism grows apace, and it is more than probable that the labour associations whose membership is entirely or largely Egyptian will use their political influence in securing an early introduction of legislation governing trade unions and the relations between employers and employed.

Mining Industry and Output.—The Mining Industry of Egypt as a whole during the year 1923 continued to be affected by trade depression, but showed signs of revival in some branches. As regards *Petroleum* 5,940 feet of prospecting drilling was accomplished by commercial interests during the year, and a test bore was drilled in the neighbourhood of the Suez Canal. The Eastern Petroleum Finance Company, and the Oilfields of Egypt, Ltd., have now definitely abandoned operations, while the Suez Oil Company has temporarily suspended work. On the other hand, the Egyptian Central Oilfields and the Gemsah Oil Reefs, Ltd., continue to drill. A new company, the Egyptian Oil Syndicate, was formed last September to take over from the Government the Abu Durba area, where shallow drilling is being continued. The production of this area for 1923 was 378 metric tons. The Government continued geological investigations and commenced a second well at Abu Shaar but the work was then suspended. The State Refinery at Suez worked during the greater part of the year, but operations were then temporarily suspended.

The Anglo-Egyptian Oilfields, Ltd., in 1923 produced mainly from the Hurgada field, 152,892 metric tons of crude petroleum, compared with 171,935 metric tons in 1922. The Company is still continuing exploratory work in other areas.

The extent to which Egypt's oil requirements have to be met from abroad is clearly shown in Appendix XII, which gives imports in 1922 and 1923 of Benzine, Kerosene, Mazout, Solar Oil and Mineral Lubricating Oils and Greases, all of which have increased in quantity in 1923.

The production of *Manganese Ore* by the Sinai Mining Company was greater than in any previous year, and amounted to 132,384 metric tons in 1923, as compared with 104,143 in 1922. The demand remained good in 1923, which enabled the Company to extend operations.

Exports of metallic ores, consisting almost entirely of manganese ore, increased in quantity from 111,523 metric tons in 1922 to 127,030 in 1923, but the corresponding value fell from £E. 283,775 to £E. 273,734.

The production of *Phosphate* was 25,370 metric tons as compared with 60,220 metric tons in 1922. The export of Phosphates rose both in quantity and value in 1923, a total of 84,498 metric tons worth £E. 74,390 being exported in 1923 as against 18,084 metric tons valued at £E. 41,806 in 1922. The demand was poor and market prices remained low, which prevented production from some areas. Unusual floods in the latter part of 1923 seriously affected two companies.

The production of *fine Gold* was 484 ozs. troy as against 241 ozs. in 1922.

IV. TRANSPORT AND COMMUNICATIONS.

Shipping Competition.—*German* competition at Alexandria is in the hands of three shipping companies, the Deutsche Levante Linie, the Deutsche Orient, and the Deutsche Austral Kosmos Line.

The Deutsche Levante is at present the most important German Line calling at Alexandria. About eight ships of this Line call there each month: their route is from Hamburg via Bremen, Rotterdam and Antwerp to the Levant and nearly all these ships go to Greek and Syrian ports either before or after calling at Alexandria: it is only rarely that they touch at ports in the United Kingdom. The ships are practically all new ones of about 2,500 tons and specially constructed for this trade: larger ships of this Line go to the Black Sea. This Line has now come to an agreement with the Ellerman Line to carry cotton to Germany instead of its being transhipped at Hull.

The Deutsche Orient is a branch of the Neue-Dampfer Co., of Stettin, which actually owns the ships. It is understood that this branch was started about three years ago by a director of the Deutsche Levante, in opposition to his old firm. About four ships touch Alexandria each month. This Line calls regularly at ports in the United Kingdom. Some of its ships are new and some were bought back under the Inchcape scheme.

The Deutsche Austral Kosmos Line only calls at Alexandria if wheat from Australia or sugar from Java are consigned to that port, and never does so on outward voyages. This Line works in with the Holt Line and the North German Lloyd and only calls at continental ports.

None of these lines carry more than a few passengers and all of their ships now bunker at Malta, rather than at Algiers or Oran.

The onion shipments to Germany this season have been large and 250,000 out of the 300,000 bags were shipped on the Levante and Kosmos Lines.

The fixing of the mark to a gold standard again has lessened the disparity in the wages bills of British and German ships.

Greek competition during the earlier part of 1923 for freights to and from Hull was considerable, but sailings declined in proportion towards the end of the year.

Dutch competition in the Hull trade began in 1923 and resulted in considerable business being done ; while an attempt is now being made to establish a regular service with four vessels between Alexandria and Hull.

Foreign competition in the coal carrying trade is unfortunately on the increase, and in view of the increasing volume in 1922 and 1923 of arrivals of coal from the United Kingdom (*see* Appendix VI), it is to be regretted that more of this important trade is not catered for by British shipowners.

Tourist Traffic.—The 1923–24 season broke all previous records for numbers of tourists, the total being 40 per cent. in excess of the previous record held by the 1905–06 season ; and it is confidently anticipated in some quarters that the total number will again break all records next season. There is at least one Cairo Hotel whose management appears to share this optimism, since both are to be closed this summer for the installation of running hot and cold water in all the rooms, in order to attract American tourists in particular.

Suez Harbour Works.—The long deferred extension of the port of Suez would seem at last to be on the point of realization as the tenders submitted in April, 1924, by two German, one Italian, and one local, firms are, at the moment of writing, being considered by a committee appointed *ad hoc*.

Local Motor Transport.—The numbers of taxicabs on the streets of Cairo increased in 1923, as did also the total of public omnibuses in Cairo, which now number 153 in all, being sufficient to carry out regular services on many routes in direct competition with the trams, and on others through streets not included in the itinerary of the tramway companies. Although they mostly consist of makeshift bodies mounted on old Crossley, Ford, Sunbeam, Talbot, Fiat and Maxwell chassis, they are proving very popular with all classes and nationalities, and fill a long felt want. There are seven different companies operating them, viz., one Greek, one Italian, and five of local nationality.

Motorists' Associations.—There are now three international Associations in Egypt formed by motorists and motor-cyclists. The Egyptian Motorists' Association, formed in 1921, was the pioneer. Its committee is to be amalgamated with that of the newly-formed Royal Automobile Club of Egypt, and it is to be hoped that their combined influence will be successful in mitigating some of the more flagrant abuses to which some owners of high-powered racing models and brilliantly lighted cars are so prone.

A recently formed Motor-Cyclists' Association held its inaugural road meeting in April, 1924, but its membership is too small as yet to have any weight with the large circle of owners and riders of motor-cycles in Egypt.

Wireless Installations.—The number of private owners of wireless receiving sets is at present small owing to the fact that they can only be used subject to licence from the Ministry of Communications. Owing to the lack of administrative machinery to regulate the use of transmission installations, the private use and ownership of wireless transmitting apparatus is at present prohibited, although there is no restriction on the import of either receiving sets or transmitting instruments; but the whole question of private ownership and exploitation of wireless transmission and broadcasting in Egypt is under consideration by a Committee appointed by the Ministry concerned. In the meantime a special three days' licence was granted for an experiment in local transmission as an attraction at a charity fete, but the distance was too small to afford any criterion of the capabilities of wireless for this purpose. Private owners of receiving sets pick up broadcasting from some of the big stations in Great Britain; but as regards broadcasting in Egypt itself, the main difficulty appears to be the preponderant proximity of the two Government transmitting stations at Alexandria and Abu Zabal (near Cairo).

Commercial Aviation.—Egypt will not be able to offer any scope at all to enterprise in the form of commercial or civil aviation for some time to come, owing to technical and other obstacles which are at present insurmountable.

V. SOCIAL QUESTIONS.

Housing.—Building activity on an almost feverish scale is everywhere noticeable, and the shortage of housing accommodation has been made good by the building of numbers of large blocks of flats to such an extent that, so far as can be foreseen, the House Rent Law will not be renewed on the expiry of its present term on June 30th, 1924. After that date landlords will be at liberty to increase rents to any figure, and it is to be noted that this freedom from restriction will also apply to rents of shops and business offices.

The total numbers of houses in Cairo and Alexandria on which house tax was paid (*i.e.*, those whose annual rental value exceeds

£E. 5) in 1920, when the post-war shortage was most acute, were 56,697 and 28,352 respectively. In 1923, as the result of pulling down small houses in many cases and erecting large blocks of flats in their place, the actual totals only stood at 57,560 and 31,773 respectively; but as already explained, the dwelling accommodation has increased in far greater proportion than is indicated by the actual increase in the numbers of houses.

In addition to the extensive building of blocks of flats an appreciable amount of activity is being displayed by a British Land Exploitation Syndicate on Rodah Island, a suburb quite close to Cairo city. The scheme comprises about 29 acres in building plots of 500–1,000 square metres which are on sale at the rate of Pt. 50 to Pt. 200 per square metre according to the situation. Payment is effected, 25 to 30 per cent. in cash, and the balance in yearly instalments with interest spread over any number of years up to 15. Numerous villas have already been erected and others are in course of construction; the Company is prepared to help purchasers to build their own villas by advancing 50 per cent. of the cost of construction, the loan interest being repayable in up to 15 annuities. The Company state that the amount of the annuities payable on account of the balance of the price of the land, and of the building advance, corresponds to a normal rental.

APPENDIX I.

MONTHLY NOTE ISSUE AND ANNUAL TRADE BALANCE DURING YEARS 1919 TO 1923.

(a) NOTE ISSUE.

—	1919.	1920.	1921.	1922.	1923.
January	£E. 45,500,000	£E. 64,300,000	£E. 37,200,000	£E. 35,500,000	£E. 32,000,000
February	44,500,000	61,000,000	36,000,000	34,000,000	31,200,000
March	44,400,000	57,800,000	35,600,000	33,400,000	30,700,000
April	45,100,000	55,400,000	35,600,000	32,400,000	29,800,000
May	43,600,000	51,900,000	34,500,000	31,500,000	28,500,000
June	41,600,000	48,100,000	32,700,000	29,600,000	26,900,000
July	39,900,000	45,400,000	31,400,000	27,800,000	25,600,000
August	39,900,000	43,700,000	30,500,000	26,400,000	24,500,000
September	45,700,000	45,100,000	36,800,000	29,000,000	28,600,000
October	59,900,000	43,800,000	37,800,000	34,600,000	35,600,000
November	67,000,000	41,700,000	36,400,000	34,800,000	38,100,000
December	67,300,000	40,400,000	37,000,000	33,200,000	36,400,000

APPENDIX I—continued.

(b) TRADE BALANCE FOR YEARS 1919 TO 1923.

—	1919.	1920.	1921.	1922.	1923.
Exports	£E. 75,888,321	£E. 85,467,061	£E. 36,356,062	£E. 48,716,418	£E. 58,387,327
Re-exports	4,307,401	2,551,894	6,127,894	2,661,246	1,466,660
Total	80,195,722	88,018,955	42,483,956	51,377,664	59,853,987
Imports	47,409,717	101,680,963	55,507,984	43,333,938	45,276,941
Trade balance	+ 32,786,005	- 13,662,008	- 13,024,028	+ 8,043,726	+ 14,577,046
Total foreign trade ..	127,605,439	189,889,858	97,991,940	94,711,602	105,130,928

NOTE.—The above figures exclude specie.

APPENDIX II.

MOVEMENT OF COTTON CROP DURING 1921-22 AND 1922-23 SEASONS.

	1921-22.	1922-23.
	Bales.	Bales.
Exports—		
United Kingdom	351,252	410,141
Czecho-Slovakia	7,194	7,108
France	81,527	109,006
Germany	36,383	37,039
Italy	38,465	61,201
Japan	19,753	33,711
Spain	19,399	29,157
Switzerland	26,018	31,991
United States of America ..	168,136	204,133
Total, including other countries	763,528	945,338

	1921-22.		Cantars.
Stock at Alexandria, Sept. 1st, 1921			1,835,000
Arrivals 1/9/21 to 31/8/22			5,358,284
		Cantars.	7,193,284
Exports (bales, 763,528)		5,804,667	
Local consumption		55,267	
Destroyed by fire		1,350	
			5,861,284
Stock at Alexandria, August 31st, 1922			1,332,000
	1922-23.		
Stock at Alexandria, Sept. 1st, 1922			Cantars.
Arrivals, 1/9/22 to 31/8/23			1,332,000
			6,713,312
		Cantars.	8,045,312
Exports (bales, 945,338)		7,171,312	
Local consumption		71,000	
Destroyed by fire		—	
			7,242,312
Stock at Alexandria, August 31st, 1923			803,000

NOTE:— As regards the 1923-24 Season the position on March 28th, 1924, was as follows:—Arrivals, Cantars 6,029,648, and Exports, Crs. 5,326,543, in both cases as from 1/9/23.

APPENDIX III (a).

QUANTITY OF RAW COTTON EXPORTED DURING 1921-22 AND 1922-23 SEASONS, SHOWING DISTRIBUTION OVER YEARS 1922 AND 1923.

Destination.	September 1st to December 31st.			January 1st to August 31st.		Cotton Seasons.	
	1921. Col. A.	1922. Col. B.	1923. Col. C.	1922. Col. D.	1923. Col. E.	1921-22. Cols. A & D.	1922-23. Cols. B & E.
United Kingdom ..	Cantars. 1,139,237	Cantars. 1,400,854	Cantars. 1,752,618	Cantars. 1,505,661	Cantars. 1,694,351	Cantars. 2,644,898	Cantars. 3,095,205
Czecho-Slovakia ..	23,485	4,075	59,097	34,514	52,447	57,999	56,522
France ..	219,768	326,805	468,527	405,111	509,538	624,879	836,343
Germany ..	100,569	79,246	105,076	178,203	203,142	278,722	282,388
Italy ..	69,251	135,273	203,893	220,294	314,588	289,545	449,861
Japan ..	76,132	104,780	137,420	73,460	149,319	149,592	254,099
Spain ..	57,581	97,237	110,427	89,722	124,388	147,303	221,625
Switzerland ..	83,049	87,670	127,803	116,300	152,986	199,349	240,656
U.S.A. ..	733,033	920,143	439,631	572,419	639,333	1,305,452	1,559,476
Total, including other countries ..	2,538,477	3,211,036	3,511,137	3,268,336	3,961,474	5,806,813	7,172,510
Value in £E.	18,003,190	19,214,821	25,277,549	20,500,024	24,238,820	38,503,214	43,453,641
Average price per cantar ..	\$35.46	29.92	35.99	31.36	30.59	33.15	30.29

NOTE.—The total of Columns B plus D and C plus E will be found in Appendix 10.

APPENDIX III (b).

VALUE OF RAW COTTON EXPORTED DURING 1921-22 AND 1922-23 SEASONS, SHOWING DISTRIBUTION OVER YEARS 1922 AND 1923.

Destination.	September 1st to December 31st.			January 1st to August 31st.			Cotton Seasons.	
	1921. Col. A.	1922. Col. B.	1923. Col. C.	1922. Col. D.	1923. Col. E.	1921-22. Cols. A & D.	1922-23. Cols. B & E.	
United Kingdom ..	£E. 8,186,260	£E. 8,324,965	£E. 12,672,917	£E. 9,549,263	£E. 10,397,305	£E. 17,735,523	£E. 18,722,270	
Czecho-Slovakia ..	167,040	24,910	420,583	219,729	317,778	386,769	342,688	
France ..	1,551,115	1,952,519	3,368,885	2,552,374	3,099,959	4,103,489	5,052,478	
Germany ..	685,935	472,669	729,160	1,118,436	1,229,321	1,804,371	1,701,990	
Italy ..	485,357	901,804	1,449,286	1,385,043	1,920,308	1,870,400	2,822,112	
Japan ..	448,709	623,924	1,004,931	460,098	916,126	908,807	1,540,050	
Spain ..	412,535	577,252	758,150	552,563	757,216	965,098	1,334,468	
Switzerland ..	570,986	523,964	917,208	732,543	930,618	1,303,529	1,454,582	
U.S.A. ..	5,228,716	5,577,764	3,179,808	3,481,724	3,932,729	8,710,440	9,510,493	
Total, including other countries ..	18,003,190	19,214,821	25,277,549	20,500,024	24,238,820	38,503,214	43,453,641	
Cantars ..	2,538,477	3,210,936	3,511,137	3,268,336	3,961,474	5,806,813	7,172,510	
Average price per cantar ..	\$35.46	29.92	35.99	31.36	30.59	33.15	30.29	

NOTE.—The total of Columns B plus D and C plus E will be found in Appendix 10.

APPENDIX IV.

SUMMARY OF VALUE OF IMPORTS CLASSIFIED BY CATEGORIES IN 1922 AND 1923.

Categories.	1922. £E.	1923. £E.
I.—Animals and animal food products ..	1,779,130	1,613,456
II.—Hides, skins and leather goods ..	585,130	612,777
III.—Other animal products	52,421	58,510
IV.—Cereals, flour and agricultural produce	3,907,157	4,490,792
V.—Colonial produce and general grocery	1,377,058	1,707,037
VI.—Spirits, beverages and oils	2,829,104	2,899,485
VII.—Paper and printed matter	910,080	852,312
VIII.—Wood and coal	3,842,567	3,962,381
IX.—Stone, earthenware and glassware ..	1,265,955	1,222,667
X.—Dyestuffs, tanstuffs and colours ..	441,132	425,812
XI.—Chemical and medicinal products and perfumery	2,964,771	2,508,599
XII.—Yarns and Textiles	14,865,308	16,522,512
XIII.—Metals and metalware	5,357,161	5,357,413
XIV.—Miscellaneous	1,600,642	1,533,324
Total of merchandise imported	41,777,616	43,767,077
Total of tobacco	1,556,322	1,509,864
Total of imports	43,333,938	45,276,941

APPENDIX V.

VALUE OF IMPORTS FROM PRINCIPAL COUNTRIES IN 1922 AND 1923.

Country.	1922. £E.	1923. £E.
United Kingdom	14,731,622	14,770,651
Australia and New Zealand	872,508	1,361,940
British India*	1,391,742	1,790,876
British Mediterranean Possessions	290,892	269,472
British Possessions in Africa	84,597	59,026
British West Indies†	2,224	10,035
Canada	27,631	28,250
Other British Possessions in Far East	394,400	526,190
British Empire total	17,795,626	18,816,440
 Austria	 509,063	 439,188
Belgium	1,408,822	1,544,102
Chili	983,070	782,986
China	577,375	698,589
Czecho-Slovakia	421,033	487,846
France	4,020,633	3,827,664
Germany	2,815,786	2,652,578
Greece	1,202,956	999,259
Holland	415,321	435,142
Italy	3,149,907	4,268,458
Japan	558,857	668,568
Mesopotamia	28,048	37,097
Palestine	531,328	663,189
Roumania	1,051,006	1,026,505
Russia	321,031	538,595
Sweden	687,677	573,709
Switzerland	515,546	573,238
Syria	719,762	793,844
Turkey	881,036	748,020
U.S.A.	1,590,945	1,702,334
 Total, including other countries	 43,333,938	 45,276,941

* Including Aden.

† Chiefly Trinidad.

APPENDIX VI.

IMPORTS OF COAL, TEA, AND WHEAT FLOUR IN 1922 AND 1923.

From—	1922.		1923.	
Coal—	Tons.	£E.	Tons.	£E.
United Kingdom	689,216	1,235,383	884,052	1,557,279
U.S.A.	61,273	123,721	1,100	3,300
Total, including other countries	751,917	1,361,348	888,206	1,565,226
Tea—	Kilogs.	£E.	Kilogs.	£E.
United Kingdom	144,444	18,537	132,106	22,527
British India . .	701,671	57,541	744,288	81,593
Other British Possessions in Far East	1,092,896	98,308	1,621,310	186,804
China	130,791	12,512	488,619	43,152
Other countries	3,123	572	50,857	5,297
Total	2,072,925	187,470	3,037,180	339,373
Wheat flour—	Kilogs.	£E.	Kilogs.	£E.
United Kingdom	4,654,169	75,509	8,289,010	111,707
Australia and N. Zealand . .	50,312,867	777,117	91,750,288	1,234,965
British India . .	4,234,456	67,729	9,024,597	120,075
Canada	1,143,851	19,856	1,654,480	25,257
France	26,661,198	430,999	12,645,109	159,697
U.S.A.	19,105,740	339,190	30,418,514	426,598
Total, including other countries	108,700,136	1,751,520	156,655,644	2,110,730

APPENDIX VII.

SHARES OF UNITED KINGDOM AND CHIEF COMPETITOR IN IMPORTS IN 1922 AND 1923.

Article.	United Kingdom.		Chief Competitor (d).		Total for all countries.	
	1922.	1923.	1922.	1923.	1922.	1923.
Beer, stout and ale	£E. 64,234	£E. 53,405	£E. 102,817	£E. 87,399	£E. 214,975	£E. 176,902
Boots and shoes (wholly or mainly of leather)	91,133	75,845	48,802	38,814	201,721	198,683
Carpets and floor rugs	138,353	75,712	126,213	107,557	333,553	242,720
Cement	24,732	26,585	102,185	89,274	181,981	199,188
Cheese	62,693	16,420	121,917	102,538	388,356	292,839
China ware	10,195	7,262	39,852	52,829	183,661	171,085
Chocolate and confectionery	43,552	39,433	52,295	51,281	177,086	187,601
Cigarettes	78,915	95,931	209	276	79,652	98,128
Cinema films, printed	4,516	3,099	25,603	20,857	63,632	51,455
Coal (a)	1,235,383	1,557,279	123,721	3,300	1,361,348	1,565,226
Cotton	6,908,582	6,726,767	1,030,877	1,676,028	7,708,999	8,471,269
" piece goods (b)	22,989	15,582	39,816	32,839	98,735	78,364
" Clothing, ready made	39,589	29,746	11,349	18,612	67,588	70,196
" Handkerchiefs	25,403	20,128	152,993	198,937	459,525	579,614
" Hosiery	61,999	51,835	47,601	47,343	253,586	242,199
" Laces, ribbons, etc.	127,776	138,497	2,919	6,056	134,522	150,492
" Mosquito net	18,924	16,977	31,700	55,742	73,617	112,107
" Sheets	142,266	172,936	51,973	47,268	226,747	253,237
" Thread	165,451	119,517	189,346	261,544	459,887	517,888
" Yarn	2,686	2,435	116,208	63,680	131,488	103,012
Dyes						

APPENDIX VII.—*continued.*

Fancy biscuits	..	37,338	36,901	F.	2,572	B.	10,379	44,089	57,698
Furniture (wooden)	..	23,458	19,598	G.	76,379	I.	67,225	270,011	238,669
Iron or steel :—	..								
Axles, wheels, etc.	..	27,271	64,501	B.	4,848	G.	6,826	41,192	78,206
Bedsteads	..	118,587	126,628	G.	20,974	G.	36,086	175,387	199,971
Billets and bars	..	15,231	18,882	B.	159,889	B.	194,487	218,460	240,117
Girders and joists	..	877	1,437	B.	94,074	B.	73,526	103,501	95,553
Hoops and strips	..	81,597	92,260	B.	2,873	U.	13,728	86,784	117,659
Pipes (wrought)	..	51,861	76,135	G.	27,426	G.	36,847	94,091	156,480
Rails, sleepers, etc.	..	58,722	40,230	G.	49,315	G.	10,734	125,762	61,947
Rivets, bolts, etc.	..	13,512	21,675	B.	9,006	B.	16,287	41,931	51,791
Sheets and plates	..	12,853	24,620	B.	37,429	B.	46,820	96,827	97,077
Galvanized sheets	..	24,739	16,989	U.	8,763	U.	7,137	40,631	32,304
Works, constructed	..	54,118	25,136	F.	5,123	B.	20,737	69,556	61,146
Jams, jellies and marmalade	..	46,586	23,835	S.	1,506	S.	3,121	52,010	30,622
Linen piece goods	..	88,588	85,472	B.	14,974	B.	19,707	117,621	120,098
Lubricating oils, mineral	..	30,197	30,261	U.	120,681	U.	120,406	182,569	179,552
Machinery :—	..								
Electrical	..	52,246	26,225	F.	103,925	F.	48,136	196,409	144,361
Engines, stationary I.C.	..	71,248	147,399	S.	77,299	S.	54,848	222,340	255,402
Miscellaneous (c)	..	260,363	200,485	G.	95,109	F.	89,815	609,640	529,336
Sewing machines	..	42,446	33,016	G.	11,882	U.	28,080	65,349	72,681
Medicinal preparations	..	74,830	73,949	F.	108,295	F.	108,657	271,465	267,587
Metals and metalware—	..								
Cast-iron pipes	..	40,743	41,666	F.	36,034	F.	77,596	92,592	134,491
Copper and brass sheets	..	286,793	285,396	F.	22,599	F.	30,425	319,367	328,600
Cutlery and tableware	..	8,510	10,297	G.	56,334	G.	37,999	101,759	85,167
Nails and screws	..	10,984	12,573	B.	38,405	B.	30,361	96,259	64,467
Tinplate (all kinds)	..	151,239	192,875	G.	5,521	G.	3,844	160,348	205,385
Tools, industrial	..	21,210	25,114	G.	47,697	G.	33,612	96,222	90,819
Motor vehicles and chassis	..	40,025	25,735	I.	105,189	U.	99,851	331,788	296,875

APPENDIX VII—continued.

Article.	United Kingdom.		Chief Competitor (d).		Total for all countries.	
	1922.	1923.	1922.	1923.	1922.	1923.
Plated and giltware	£E. 14,210	£E. 11,749	£E. 52,621	£E. 54,141	£E. 129,930	£E. 124,203
Scientific, etc., instruments ..	46,694	49,034	F. 30,874	F. 26,487	123,368	116,767
Soap, household	92,288	80,035	Pal. 163,574	Pal. 200,856	402,385	395,362
" toilet	15,219	17,692	G. 4,904	G. 10,595	28,847	48,507
Tea (a)	18,537	22,527	Emp. 155,849	Emp. 268,397	187,470	339,373
Tobacco (manufactured)	12,012	11,101	I. 167	I. 311	13,225	12,380
Toys	5,333	4,316	G. 82,316	G. 45,524	110,089	74,388
Tyres, rubber	18,483	14,121	F. 31,088	F. 36,253	90,196	92,027
Wheat flour (a)	75,509	111,707	Emp. 864,702	Emp. 1,380,297	1,751,520	2,110,730
Whiskey	112,460	119,750	C. 1,539	G. 96	114,329	119,859
Woollen textiles :—						
Cloths, woollen and worsted ..	602,960	582,872	F. 99,857	F. 154,398	879,191	1,044,379
Clothing, woollen, ready made ..	61,957	51,577	F. 52,553	F. 72,328	154,430	171,115
Hosiery, woollen	61,553	91,091	F. 9,175	I. 22,968	89,548	151,056
Mixed woollens and worsteds ..	93,736	110,918	F. 13,861	F. 25,294	120,784	168,820
Yarn, woollen	64,313	65,155	F. 5,126	F. 5,860	70,431	73,285

NOTES :—

(a) See Appendix VI for detailed statistics.

(b) See Appendix VIII for detailed statistics.

(c) *i.e.*, not otherwise specified in Customs Statistics.

(d) The Chief Competitors are indicated thus :—B. = Belgium ; B.I. = British India ; C. = Canada ; Emp. = British Empire ; F. = France ; G. = Germany ; I. = Italy ; J. = Japan ; P. = Persia ; Pal. = Palestine ; S. = Switzerland ; T. = Turkey ; U. = U.S.A. ; Y. = Yugoslavia ; F.P. = French possessions.

APPENDIX VIII (a).

VALUE OF COTTON PIECE GOODS IMPORTED IN 1922 AND 1923 DUTIABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From	Year.	Grey.	Bleached.	Printed.	Dyed in the Yarn.	Dyed in the Piece.	Total.
United Kingdom	{ 1923 1922	£E. 823,827 771,075	£E. 1,672,409 1,851,716	£E. 1,646,899 1,765,509	£E. 699,024 633,470	£E. 1,624,617 1,515,898	£E. 6,466,796 6,537,668
Belgium	{ 1923 1922	— —	2,801 370	5,407 5,628	149,136 59,452	15,110 5,792	172,454 71,242
France	{ 1923 1922	891 330	3,760 3,376	62,523 76,132	8,981 11,612	6,539 6,041	82,694 97,491
Italy	{ 1923 1922	4,010 399	32,026 19,716	235,964 138,666	886,084 509,098	313,457 222,422	1,471,541 887,301
Japan	{ 1923 1922	108,809 28,226	87 340	141 480	179 1,036	1,294 612	110,510 30,644
U.S.A.	{ 1923 1922	2,264 24,805	23 2,226	548 —	1,501 —	14,211 9,034	18,547 36,065
Total (including other countries)	{ 1923 1922	943,856 825,820	1,717,606 1,879,824	1,970,267 1,997,219	1,848,401 1,243,332	1,991,139 1,762,804	8,471,269 7,708,999

NOTE.—The above figures exclude "cotton piece goods, unenumerated."

APPENDIX VIII (b).

QUANTITY OF COTTON PIECE GOODS IMPORTED IN 1922 AND 1923 DUTIABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From	Year.	Grey.	Bleached.	Printed.	Dyed in the Yarn.	Dyed in the Piece.	Total.
		Square metre.	Square metre.	Square metre.	Square metre.	Square metre.	Square metre.
United Kingdom	{ 1923 1922	41,640,305 37,204,382	56,140,214 62,536,815	34,681,996 37,839,306	14,099,135 11,233,493	32,013,000 30,651,512	178,574,650 179,465,508
Belgium	{ 1923 1922	(a) (a)	71,044 9,016	104,119 109,964	2,711,707 987,030	237,562 81,327	3,124,432 1,187,337
France	{ 1923 1922	17,243 6,815	99,404 80,933	1,111,074 1,394,298	203,471 222,141	140,216 154,904	1,571,408 1,859,091
Italy	{ 1923 1922	153,143 18,310	775,968 485,034	4,674,434 2,808,232	16,094,385 8,296,590	5,139,955 4,013,427	26,837,885 15,621,593
Japan	{ 1923 1922	3,559,217 912,506	3,039 10,976	3,245 8,367	4,370 17,560	26,082 13,507	3,595,953 962,916
U.S.A.	{ 1923 1922	61,669 855,452	841 56,270	9,665 —	31,778 —	403,049 303,067	507,002 1,214,789
Total (including other countries)	{ 1923 1922	45,554,561 39,023,418	57,307,244 63,237,475	40,906,020 42,339,401	35,118,105 21,260,111	38,272,792 35,293,802	217,158,722 201,154,207

(a) Not separately distinguished.

NOTE.—The above figures exclude "cotton piece goods, unenumerated."

APPENDIX IX.

SUMMARY OF VALUE OF EXPORTS, CLASSIFIED BY CATEGORIES IN 1922
AND 1923.

Categories.	1922. £E.	1923. £E.
I.—Animals and animal food products ..	550,089	524,629
II.—Hides, skins and leather goods ..	244,066	252,077
III.—Other animal products	84,600	50,003
IV.—Cereals, flour and agricultural produce	5,573,397	5,018,747
V.—Colonial produce and general grocery	342,647	1,070,146
VI.—Spirits, beverages and oils	632,511	621,563
VII.—Paper and printed matter	70,881	62,180
VIII.—Wood and coal	43,489	30,482
IX.—Stone, earthenware and glassware ..	7,561	7,141
X.—Dyestuffs, tanstuffs and colours ..	54,095	47,525
XI.—Chemical and medicinal products and perfumery	141,597	164,471
XII.—Yarns and textiles*	39,937,017	49,763,063
XIII.—Metals and metalware	345,889	342,985
XIV.—Miscellaneous	57,259	65,367
Total of merchandise exported	48,085,098	58,020,379
Total of cigarettes	631,320	366,948
Total of exports	48,716,418	58,387,327

* Mostly raw cotton.

APPENDIX X.

EXPORTS OF RAW COTTON DURING THE CALENDAR YEARS 1922 AND 1923.

Destination.	1922.		1923.	
	Cantars.	£E.	Cantars.	£E.
United Kingdom	2,906,515	17,874,228	3,446,969	23,070,222
Czecho-Slovakia	38,589	244,639	111,544	738,361
France	731,916	4,504,893	978,065	6,468,844
Germany	257,449	1,591,105	308,218	1,958,481
Italy	371,327	2,286,847	518,481	3,369,594
Japan	178,240	1,084,022	286,739	1,921,057
Spain	186,959	1,129,815	234,815	1,515,356
Switzerland ..	203,970	1,256,507	280,789	1,847,826
U.S.A.	1,492,562	9,059,488	1,078,964	7,112,537
Total (including other countries)	6,479,372	39,714,845	7,472,611	49,516,369
Average price per cantar	\$30.66	—	\$33.13	—

APPENDIX XI.

VALUE OF EXPORTS OF RAW COTTON TO PRINCIPAL COUNTRIES,
1922 AND 1923.

Country.	1922. £E.	1923. £E.
United Kingdom	23,035,915	28,354,293
Australia and New Zealand	4,452	3,095
British India*	133,661	189,679
British Mediterranean Possessions	54,381	59,186
British Possessions in Africa	6,737	13,806
Canada	1,009	16,169
Other British Possessions in Far East	41,855	41,215
British Empire total	23,278,010	28,677,443
Austria	76,051	215,418
Belgium	291,348	526,155
Czecho-Slovakia	246,212	740,973
France	4,896,578	6,686,681
Germany	1,909,543	2,490,549
Greece	207,831	173,602
Holland	265,096	260,310
Italy	2,613,658	3,649,192
Japan	1,101,447	1,957,333
Mesopotamia	29,614	171,484
Palestine	743,941	461,039
Russia	998	126,923
Spain	1,139,558	1,543,388
Switzerland	1,279,185	1,862,018
Syria	411,320	303,352
Turkey	206,604	225,510
U.S.A.	9,190,906	7,246,787
Total (including other countries)	48,716,418	58,387,327

* Including Aden.

APPENDIX XII.

IMPORTS OF BENZINE, KEROSENE AND MAZOUT.

	1922.		1923.	
	M. tons.	£E.	M. tons.	£E.
BENZINE.				
Delivered from Suez Refinery*	3,883	70,205	6,928	105,440
Imported direct from—				
U.S.A.	1,537	29,884	2,069	26,576
Other countries ..	5,790	104,685	4,227	69,672
Total	11,210	204,774	13,224	201,688
Additional total by cases all countries	Cases. 29,959	20,679	Cases. 11,348	7,028
KEROSENE.				
Delivered from Suez Refinery *	M. tons. 33,874	186,180	M. tons. 2,407	11,901
Imported direct from—				
Roumania	70,770	345,567	45,374	225,230
Russia	16,813	80,477	73,766	367,505
U.S.A.	23,390	167,004	41,451	242,268
Other countries ..	—	—	7,308	22,803
Total	144,847	779,228	170,306	869,707
Additional total by cases, all countries	Cases. 90,260	28,744	Cases. 110,809	29,508
MAZOUT (Oil Fuel).				
Delivered from Suez Refinery *	M. tons. 24,736	110,604	M. tons. 51,106	191,432
Imported direct from—				
Mexico	8	4	15,159	49,071
Persia	31,293	112,640	30,529	97,782
U.S.A.	6,036	18,889	1,698	5,381
Trinidad	34,274	123,213	—	—
Other countries ..	1,323	4,590	14,035	44,626
Total	97,670	369,940	112,527	388,292
SOLAR OIL.				
Total	M. tons. 3,898	23,190	M. tons. 8,751	48,491
MINERAL LUBRICATING OILS AND GREASES.				
Total imports	M. tons. 8,410	182,569	M. tons. 9,911	179,552

* Obtained from crude petroleum or partly refined products imported by the Refinery from Persia, Borneo, etc.

APPENDIX XIII.

CUSTOMS AND EXCISE DUTIES (IN FORCE IN MAY, 1924).

(a) CUSTOMS DUTIES.—The Customs Duty on all imports into Egypt is 8 per cent. *ad valorem*, and on all exports 1 per cent. *ad valorem*, with the following exceptions :—

1. *Specific duties* are charged on *Imported Alcohol* as follows :—

- (a) All industrial or other kinds of alcohol, brandies, wines, alcoholic beverages, perfumery, pharmaceutical products and varnishes which contain alcohol, and in general, all products containing more than 2 per cent. of non-denatured alcohol, are subject, on importation into Egypt, to a specific duty of 200 milliemmes per litre of pure alcohol content, independently of the general import duty of 8 per cent. *ad valorem* on the total value of the product less the value of the alcohol it contains.
- (b) Notwithstanding, wines, of which the pure alcohol content does not exceed 23 per cent. of their volume, as well as beer, cider and vermouth remain subject only to the general import duty of 8 per cent. *ad valorem*.
- (c) No drawback will be allowed on the re-exportation of products on which the duties fixed by this Decree (dated 1/5/24) have been paid at the time of their importation.
- (d) The specific duty on denatured alcohol is 2 milliemmes per kilogramme. Denaturation must be carried out under the conditions and in accordance with the processes permitted by the Customs Administration.
- (e) In the case of every product subject to the duty fixed in articles (a) or (b) the importer must mention in his Custom declaration the percentage of pure alcohol contained in the imported product in question. Every declaration which omits this percentage, or in which the percentage stated proves to be erroneous on analysis by the Customs Administration, will entail the payment by the importer of the cost of analysis, independently of any fines provided for by the Customs Regulations.
- (f) Article (e) will not come into force until two months from the date of publication of this Decree (viz., May 12th, 1924).

2. An additional *Consumption Duty* of 2 per cent. *ad valorem* is imposed on the following articles :—

- (a) *Liquids*.—Ammonia, beer, cider, castor oil, colza oil, hydrochloric acid, nitric acid, sulphuric acid and turpentine.
- (b) *Foodstuffs*.—Apricots (dried or in paste), cinnamon, cloves, cocoa, coconut oil, coffee, condensed milk, figs (dried), gelatine, locust beans, meat and fish (tinned or potted), nuts, pepper, plums (dried), sugar and tea.
- (c) *Building Materials*.—Asphalt, bitumized or tarred felt or paper, cast-iron pipes, iron and steel angles and bars, iron and steel girders, iron and steel galvanized sheets, iron and steel plates and tubes, lead piping, marble, pitch, sheet-lead, sheet-zinc and window glass.

3. Tobacco.

(a) Leaf Tobacco :—

General tariff—820 milliemes per kilogramme.

Special „ 800 „ „ „

(b) Leaf Tobacco, stripped of its petiole or mid-rib :—

General tariff—920 milliemes per kilogramme.

Special „ 900 „ „ „

(c) Manufactured Tobacco, such as cut and pressed tobacco, snuff and cigarettes :—

General tariff—£E. 1·020 m/m. per kilogramme.

Special „ £E. 1·000 m/m. „ „

(d) Cigars of all kinds and from all sources :—

£E. 1 per kilogramme.

Drawback of 600 milliemes is granted on each kilogramme of tobacco re-exported from Egypt in the form of cigarettes or cut tobacco. No export duty is collected on manufactured tobacco and cigarettes re-exported.

NOTE.—The special tariff for tobacco is only applied to tobacco accompanied by a certificate of origin from countries which have concluded a Commercial Agreement with Egypt.

4. *Petroleum Products*.—Kerosene, 4 per cent. *ad valorem* ; benzine and mineral lubricating oils, 15 per cent. *ad valorem* ; an additional Consumption Duty of 2 per cent. *ad valorem* being imposed on mineral lubricating oils, whether imported as finished products or produced locally from imported crude oil.

5. *Timber and Wood*.—10 per cent. *ad valorem*, but firewood 4 per cent. *ad valorem*.

6. *Fertilizers*.—Import duty of 8 per cent. *ad valorem* is being charged provisionally as from 1/4/24 by the Customs Administration pending a decision by the Ministry of Finance as to renewal or not for a further year of exemption of fertilizers from import duty. In any event the material used for the packing of these articles is subject to the payment of 8 per cent. *ad valorem* import duty and other dues.

7. *Prohibited Imports* are : Military arms and ammunition, explosives, cotton and cotton-seed, tobacco-seed, juice, extract or substitute of tobacco, hashish-seed, foreign silver, nickel, bronze or copper coins and obscene printed matter.

NOTE.—The definition of *ad valorem* for imports is the value of the article in the country where it was produced at the date of its clearance for consumption in Egypt, plus all freights, insurance, packing, etc., to the Egyptian port of landing. That of exports *ad valorem* is the value f.o.b. the Egyptian port of shipment.

The values of certain articles are by agreement between the Customs Administration and importers, fixed for a period not exceeding one year, and the *ad valorem* duty is collected on these values, particulars of which are regularly communicated to the Department of Overseas Trade.

Quay and Paving Dues are levied, in addition to Customs duties, on imports and exports as follows :—

(a) On Imports :—

Quay Dues at—

Alexandria and Suez, 4½ per thousand *ad valorem*. Port Said, 7 per thousand *ad valorem*. On imported tobacco, 1 millieme per kilo. at Alexandria and Suez, and 1½ milliemes per kilo. at Port Said.

Paving Dues at—

Alexandria, ½ per thousand *ad valorem*. Port Said (optional), 1 per thousand *ad valorem*. On imported tobacco, ½ millieme per kilo. at Alexandria and Port Said (optional).

(b) On Exports :—

Quay Dues at—

Alexandria, Port Said and Suez, 12 per thousand *ad valorem*.
On exported tobacco, 3 milliemes per kilogramme at all three ports.

Paving Dues—

Are paid for at the same rate as on Imports.

(b) EXCISE DUTIES.—1. *Cotton*.—The tax on ginned cotton is Pt. 25 per cantar.

2. *Petroleum*.—Products derived from Egyptian crude oil are subject to the following Excise Duties :—

Benzine and lubricating oils, 11 per cent. *ad valorem*. Mazout (fuel oil), and all other products except kerosene, 4 per cent. *ad valorem*.

Oil burnt in the refinery is also liable to Excise Duty.

3. *Alcohol*.—Whether industrial or other, and all spirits, liqueurs and alcoholic beverages, distilled locally, are subject to an Excise Duty of 195 milliemes per litre of absolute alcohol contained therein.

4. The same liquids, foodstuffs and building materials as those to which Consumption Dues (see above) apply are subject, if locally produced, to an Excise Duty of 2 per cent. *ad valorem*, with the exception of mineral lubricating oil, which is already provided for under petroleum products of Egyptian origin.

The Excise Duty of 2 per cent. *ad valorem* on sugar refined in Egypt is refunded on export of same, subject to certain formalities which take some time to accomplish.

5. The Filature Nationale at Alexandria has to pay 4 per cent. on the invoice value of its manufactures if sold in Egypt and the Sudan (but not if exported overseas).

REPORTS by H.M. Trade Commissioners, Commercial, Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade.

(All prices are net and those in parentheses include postage.)

A.—During the year 1923.

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Belgium	2s. 6d. (2s. 8d.)	Netherlands East Indies	3s. 0d. (3s. 1d.)
British West Indies	1s. 0d. (1s. 1d.)	New Zealand	2s. 0d. (2s. 2d.)
Bulgaria... 6d. (7d.)	Norway	2s. 6d. (2s. 8d.)
Canada	2s. 6d. (2s. 8d.)	Panama and Costa Rica	1s. 0d. (1s. 1d.)
Chile	2s. 0d. (2s. 1d.)	Paraguay 9d. (10d.)
China	1s. 6d. (1s. 7d.)	Persia 9d. (9½d.)
Cuba (for 1922) 9d. (10d.)	Peru (for 1922) 9d. (10d.)
Cuba (for 1923)	1s. 0d. (1s. 1½d.)	Peru (for 1923) 9d. (10d.)
Czecho-Slovakia	1s. 6d. (1s. 7d.)	Poland	1s. 6d. (1s. 7d.)
Denmark	1s. 6d. (1s. 7d.)	Roumania	2s. 0d. (2s. 1d.)
East Africa	1s. 6d. (1s. 7d.)	Serb-Croat-Slovene Kingdom	1s. 6d. (1s. 7d.)
Ecuador 9d. (10d.)	Siam	1s. 6d. (1s. 7d.)
Egypt	1s. 6d. (1s. 7d.)	South Africa	1s. 6d. (1s. 7d.)
Estonia	1s. 0d. (1s. 1d.)	Spain	2s. 0d. (2s. 1d.)
Finland	2s. 0d. (2s. 1d.)	Sweden	2s. 0d. (2s. 1d.)
France	3s. 6d. (3s. 8d.)	Switzerland	2s. 0d. (2s. 8d.)
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Greece	1s. 6d. (1s. 7d.)	United States of America	5s. 6d. (5s. 9½d.)
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Hungary	1s. 6d. (1s. 7d.)		
Indo-China 9d. (10d.)		

B.—During the year 1924.

Algeria, Tunisia and Tripolifania	2s. 6d. (2s. 8d.)	Italy	2s. 6d. (2s. 7d.)
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DEPARTMENT OF OVERSEAS TRADE.

REPORT
ON THE
ECONOMIC AND FINANCIAL
SITUATION
OF
EGYPT.

Dated June, 1925.

BY

MR. E. HOMAN MULLOCK,

Commercial Secretary, The Residency, Cairo.



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1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in South Africa (Johannesburg, Cape Town); two in Australia (Melbourne, Sydney); two in India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), British East Africa (Nairobi), and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular offices in his area, and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

The department is represented in Egypt by Mr. E. Homan Mulock, Commercial Secretary, The Residency, Cairo.

(b) The British Consular Service.

This service has been reorganized. Particular attention has been given to the commercial side of consular work.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

A handbook giving fuller details of the overseas organization of the Department can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W.1.

365608

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

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